

BANKING



What does
the Cassowary
have in common
with
Field
Warehousing?



The Cassowary
lives in dense
tropical jungles
where the horny
helmet protects its
head from injury.

The answer is—*protection.*

Nature gives the Cassowary solid protection—a horny helmet to safeguard it from head injuries.

And—by furnishing warehouse receipts based on actual inventory of the borrower—Douglas-Guardian gives your bank solid protection from financial loss. Loans on inventory—field warehoused by Douglas-Guardian—are backed by physical merchandise of the borrower and by our nation-wide reputation for experience, integrity and know-how.

YOU MAKE THE LOANS—WE'LL MAKE THEM SAFE

DOUGLAS-GUARDIAN

WAREHOUSE CORPORATION



"THE BANKERS' FIELD WAREHOUSE COMPANY"

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NEW YORK 4, N. Y., 50 Broad St.
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ATLANTA 3, Ga., Hurt Bldg.
CLEVELAND 23, Ohio, 398 E. 232 St.
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BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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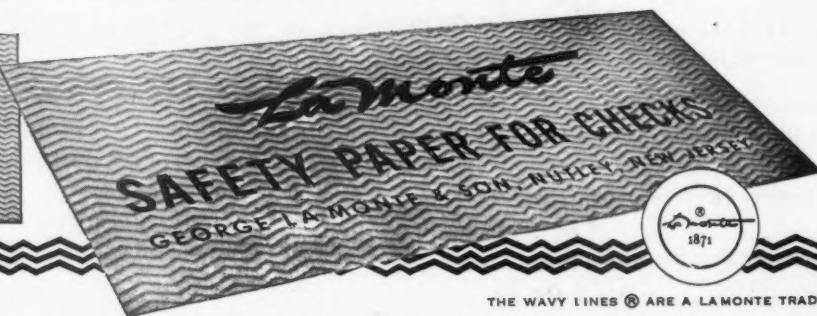


...and that's that!

All her bills paid by check...so simple...so safe! And she's conscious, too, of the element of prestige...for her bank has provided checks lithographed on La Monte Safety Paper, checks with the quality look that cannot fail to impress. Thousands of Bankers have found in these superior check papers an important ally in opening new checking accounts. Your lithographer can show you samples or we will gladly send them direct.

A Check Paper All Your Own

Thousands of banks and many of the larger corporations use La Monte Safety Papers with their own trade-mark or design made in the paper itself. Such INDIVIDUALIZED check paper provides maximum protection against both alteration and counterfeiting—makes identification positive.



THE WAVY LINES ® ARE A LA MONTE TRADE-MARK

Just a Minute

Those Days in Chicago

THE 12 buff-colored pages you've noticed in the center of this issue are about the 77th annual convention of the American Bankers Association in Chicago, September 30-October 3.

As our report says, and as the nearly 8,000 delegates will attest, it was a "big, big, BIG convention," not only in attendance but "in scope of program and production of ideas." It was, in short, tailored for the times and the year in which the new administration, headed by President C. FRANCIS COCKE and Vice-president W. HAROLD BRENTON, will pilot the Association.

The convention resumé that starts on page 65 includes an article on Mr. BRENTON, who is president of the State Bank of Des Moines. There's a summary of the meetings, which ended with transfer of the presidential badge to Mr. COCKE,

president of The First National Exchange Bank, Roanoke, Virginia, by JAMES E. SHELTON, president of the Security-First National Bank, Los Angeles.

Division and section officers for 1951-52 are listed, with photos and sketches of the presidents, and the resolutions are recorded. Brief excerpts from many of the convention addresses help round out the Chicago story.

Pictures? Sure—lots of 'em!

Depression Coming?

As you've noticed, BANKING for the past several months has been moderating an informal panel discussion or debate on a Question of the Day. This month's topic, "Is There a Depression Ahead?" brings to our pages (opposite ones, as usual), two noteworthy upholders of opposing viewpoints: DR. EDWIN G. NOURSE, formerly of Brookings Institution,



"We've always had a turkey since I was a little boy!"

and the Secretary of Commerce, CHARLES SAWYER.

Their articles, of course, aren't really a full-dress debate, for each discussor just sets down his own views, without an opportunity to read what the other fellow's saying. However, this method of looking at both sides of a big question makes for informative reading, and we think the NOURSE-SAWYER presentation maintains the high standard set by its predecessors in our forum.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION



HARRIS & EWING

THIS MONTH'S COVER

The pay-as-we-go (or tax-as-we-spend) problems now subject of discussion in government and out (see page 29) are personified by the two men in earnest conversation on the cover, Director of Mobilization Charles E. Wilson (left) and Senator Walter F. George, chairman of the Senate Finance Committee

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**WHEN
YOU
THINK OF
PITTSBURGH**



**AND MODERN
TRANSPORTATION**



Pittsburgh's transportation system is a dynamic symbol of its industrial and commercial growth!

Five Class I railroads have carried 170 million tons in a single year. Several hundred motor freight companies serve Pittsburgh . . . connect every city in the nation over a vast network of highways. And more than \$175,000,000 have been invested in new highways and bridges . . . \$20,000,000 in the new Greater Pittsburgh Airport—which will be larger than New York's La Guardia and Washington, D.C.'s National Airports combined.

Pittsburgh's transportation system is vast . . . and so is the number of business opportunities here. An intimate knowledge of local conditions makes Peoples First National ideal for handling your correspondent banking requirements. We welcome the privilege of serving you.

**PEOPLES FIRST
NATIONAL**

BANK & TRUST COMPANY

Correspondent Bank Department

P. O. Box 506, Pittsburgh 30, Pa.

Member Federal Deposit Insurance Corporation

What each man thinks and why is best told in his own words, so turn to pages 30 and 31 where the meeting is open for you.

Russian Bank

No, reader, we don't mean that old game. We mean the bank that Cartoonist GRAHAM HUNTER has set up for you on page 38.

The drawing's title (for want of a better one, perhaps) is "An Impression (Unverified) of a Communist Bank." Into the picture's drafting went the composite imagination of the editorial staff, plus an assist from some such Russian bank pictures as were available, plus the artist's own ideas and facile technique.

The result is a product you can spend many minutes studying.

Well, we trust our "Impression" doesn't cause an International Incident. After all, Uncle Joe, you *do* have banks. And if our conception is 'way off the beam, just give us the facts and we'll try to set our readers straight on how your tools of communistic capitalism really look.

In case you're curious as to how Mr. HUNTER looks, just pause for a moment at the cartoon at the top of the next column. There he is, at work on a BANKING cartoon, while a somewhat dismayed bank watches.

The sketch may not be a good



Graham Hunter (by Graham Hunter)

likeness of the artist, but it's at least authoritative. He drew it himself.

Biography of a Business

UNITED STATES STEEL CORPORATION, in observance of its 50th anniversary, publishes a rather sumptuous 227-page book, *Steel Serves the Nation*. Although the subject is the principal achievements of one company during the first half of this century, the extensively illustrated text reflects the broad expansion of the American economy during that period.

IRVING S. OLDS, chairman of the board, comments in his preface on the role of the steel industry in the present emergency. Pointing out that as 1951 opened, American steel

(CONTINUED ON PAGE 6)

"Are you the house detective? I just saw that young couple open a joint account, and I happen to know they're not married yet!"





It Takes 500 Tons of Equipment for Just One Telephone Exchange

Five hundred tons of equipment and 62,000 man-hours of work are needed to install just one 10,000-line Dial Telephone Exchange.

Here's the story of months of work condensed into two minutes of reading time. (Bear with us, please, if several of the words get technical.)

There are 1800 crossbar switches, 4000 multi-contact relays and 65,000 conventional relays. These automatic switching mechanisms open or close millions of telephone circuit paths.

Eighty miles of cable are needed to connect all this apparatus. There are 2,600,000 soldered connections, each one a careful hand operation.

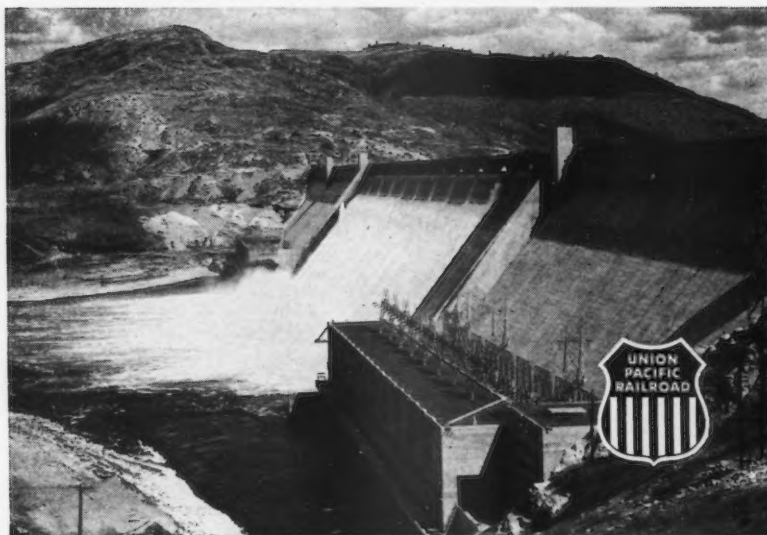
All that is for only one Telephone Exchange to serve one community. At present-day prices, the cost runs to \$1,500,000.

The money for these new facilities must come largely from investors who are willing to put their savings in the business.

Only through reasonable earnings can the telephone company attract the new money that is needed to do the job.

BELL TELEPHONE SYSTEM





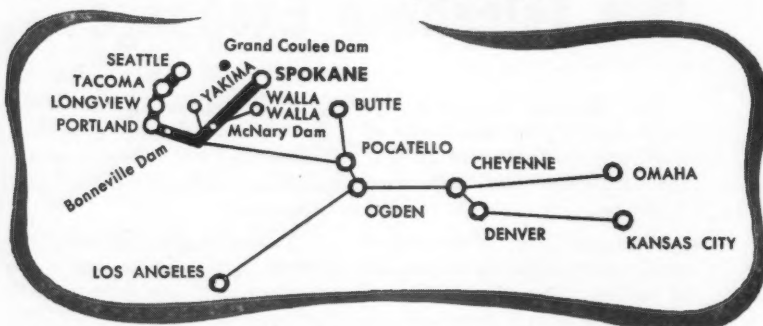
THE SPOKANE AREA... offers unlimited industrial advantages

Located in the Inland Empire . . . comprised of Eastern Washington, Northern Idaho and Western Montana . . . Spokane is a progressive industrial and distribution center. Near Spokane is Grand Coulee Dam which furnishes power and light for all types of industrial activity; manufacturing, processing, warehousing, distribution, and so on. The dam ultimately will provide irrigation for nearly one million acres in the Northwest area.

Spokane is a central point for recruiting labor. It has modern utility and transportation facilities. Union Pacific provides excellent freight and passenger service.

The many large concerns that have purchased or leased sites on Union Pacific tracts represent diversified lines of industry such as building materials, farm implements, electric appliances, etc.

Hundreds of acres are still available for industrial expansion in the Spokane area.



Choice sites served by Union Pacific trackage are also available at Portland, Seattle, Tacoma, Yakima, Walla Walla, Longview and other northwest points. Olympia and Aberdeen-Hoquiam also have large industrial possibilities.

System-wide, Union Pacific's industrial plant opportunities include sites in these twelve States: CALIFORNIA, COLORADO, IDAHO, IOWA, KANSAS, MONTANA, NEBRASKA, NEVADA, OREGON, UTAH, WASHINGTON and WYOMING.

For detailed, confidential information please write
INDUSTRIAL PROPERTIES DEPARTMENT
UNION PACIFIC RAILROAD, ROOM 183, OMAHA 2, NEB.

UNION PACIFIC RAILROAD

(CONTINUED FROM PAGE 4)

mills had an annual capacity of 104,000,000 tons, approximately equal to the combined capacity of the rest of the world, he adds:

"The American steel industry produced more than 2,000,000 tons of steel in one week in January 1951 for the first time on record. At that rate, the United States could produce a greater tonnage of steel in 20 weeks than we have reason to believe the Soviet Union and its satellite nations produced in the entire year 1950."

By the end of 1952 it is expected that we'll have an annual capacity of 118,000,000 tons.

Several pages of the book tell the story of Big Steel's formation—a story peopled by such figures as Andrew Carnegie, Henry C. Frick, J. Pierpont Morgan, Charles M. Schwab, and, of course, Elbert H. Gary.

Another by Playwright Sanders

THOSE JAY SANDERS playlets, dramatizing familiar banking situations, are proving popular; some of them are actually being enacted for the benefit of bank staffs. That's quite all right with us—in fact, we planned it that way.

A Wisconsin banker recently said that he was to instruct an A.I.B. class this fall and believed these skits might be useful in driving home a few points he wanted to make. A Connecticut bank was interested, too; the playlets would help its staff training program.

(CONTINUED ON PAGE 11)

"Darling, guess whose check bounced today—somebody who loves you madly!"



How EBASCO can help on plans for FINANCING and REFINANCING



When a business is to be expanded,
a basic problem is HOW to get
adequate capital at minimum cost.
The road to the capital market is
full of stumbling blocks, the
greatest of which are the many
procedures and regulations involved
in issuing securities.

That's where EBASCO can help . . .

Ebasco's financial consultants are specialists in this field. In the past few years we have assisted clients in obtaining capital in amounts totaling more than \$1,900,000,000. The particular problem is studied and financing plans developed. Advice is rendered on appropriate methods of financing, how to file and prepare the registration statement, how to prepare the diverse material required by the SEC, how to find the proper underwriters of securities,

and how to time the marketing of the securities.

Not only do you have a sound plan for marketing securities, but executives are unencumbered by the details of financing and are able to handle their regular duties with a minimum of interruptions.

Ebasco's financing specialists will be happy to outline their services at your request. There is no obligation for preliminary discussions. Feel free to call on us.



Appraisal	Insurance
Budget	& Pensions
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Studies	Modernization
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Engineering	Rates &
Design &	Pricing
Construction	Research
Financial	Sales &
Industrial	Marketing
Relations	Systems &
Inspection	Methods
& Expediting	Taxes
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Write for the booklet "*The Inside Story of Outside Help*" describing the many EBASCO services available to you. Ebasco Services Incorporated, Dept. L, Two Rector Street, New York 6, N. Y.

EBASCO SERVICES

INCORPORATED

NEW YORK • CHICAGO • WASHINGTON, D. C.

Ebasco Framework gets things done anywhere in the world



ENERGY UNLIMITED . . .

We bought this valve spring at an automobile repair shop. It's sleek, shiny, powerful-looking. Just *how* powerful we wondered and so we investigated . . .

At average highway speeds this valve spring is compressed more than *a thousand times a minute!* The work it does on an 8-hour trip averages up to *400 million foot pounds!* And yet, valve springs function perfectly for years.

BRAIN POWER UNLIMITED . . .

This spring is a triumph of many skills and sciences. Physicists, metallurgists, automotive and mechanical engineers played their part. Researchers, designers, draftsmen, toolmakers . . . these and many more who could pool their skills because they are linked together by an all-seeing, all-hearing and reporting Inter-Communications System.

THE AMERICAN INTER-COM SYSTEM . . .

Constant dissemination and exchange of industrial "know-how" is the function, is the unique contribution of the American business press . . . a great group of specially edited magazines devoted to the specialized work areas of men who want to manage better, design better, manufacture better, research better, sell better.

WHY WE HAPPEN TO KNOW . . .

The McGraw-Hill business publications are a part of this American Inter-Com System.

As publishers, we know the consuming insistence of editors on analyzing, interpreting, reporting . . . on making sure that every worth-while idea reaches interested people quickly and regularly.

As publishers, we know that people pay to subscribe to business publications to keep abreast of what's new in ideas, methods and processes as reported by the *editors* . . . and in products, materials and services offered by the *advertisers*.

As publishers, we make our advertising pages available for your communications with the people who make up your markets.

McGRAW-HILL PUBLISHING COMPANY, INC.

330 WEST 42nd STREET, NEW YORK 18, N. Y.

HEADQUARTERS FOR BUSINESS INFORMATION



"...Yes, Art, we buy and sell our Government bonds through Bankers Trust in New York. Because they're a primary dealer all prices are net. And their over-all advice on our account has been very helpful..."



When you buy Governments from Bankers Trust—you deal direct

As a primary dealer in U. S. Government bonds, notes, certificates, and discount bills, we maintain *an inventory* of these securities in our Trading Department.

This means that your orders placed with us are executed without delay—no red tape or outside telephone calls. Immediate confirmation of orders can mean an important saving for your bank.

Moreover, this service is rendered to our customers at the lowest possible cost—all prices are net.

We are glad to work with you on your bond account, advise you on the arrangement of maturities, and suggest switches from one issue to another as market movements provide favorable opportunities.

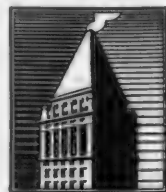
In addition, our Bond Department is a leading dealer in State and Municipal issues. We are prepared to answer your questions regarding

this segment of your portfolio.

For full information on how this service can benefit your bank, write Bond Department, Bankers Trust Company, 16 Wall Street, New York 15, N. Y. Telephone REctor 2-8900 when we can be of assistance. Our teletype numbers are NY 1-3333 for Governments and NY 1-850 for State and Municipals.

BOND DEPARTMENT
BANKERS TRUST COMPANY
NEW YORK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



(CONTINUED FROM PAGE 6)

MR. SANDERS contributes another good one to this issue: "How To Be a Mind Reader" (page 20). If you use it, or any of the others, in your bank, we'd appreciate word as to how things went.

All in the Day's Work

THE September instalment of "Around Our Bank" had an item about a customer's request for information on a check she had written in 1924. The incident particularly interested Cashier F. B. BAKER of the State Bank of Caledonia, Michigan, because, he tells us, his bank was recently asked for a record of checks issued from 1931 to 1945, representing a woman's support of a widowed sister.

The request involved much digging in the records, but the bank finally was able to find 53 checks, totaling \$1,456.75, paid over a period of several years.

"The day was saved," says MR. BAKER, "and while we thought we would have to discontinue advertising as 'The Bank of Friendly Service,' we now say it with more gusto than ever!"

"Don't quite know how to put this since you're just above me—but the fact of the matter is I want a promotion"



F&D has specialized for 60 years in meeting the bonding and insurance needs of banks and other financial institutions, and makes its services readily available to them through more than 9,000 experienced local representatives.

Bankers and Brokers Blanket Bonds

Savings and Loan Blanket Bonds

Court and Fiduciary Bonds

Lost Securities Bonds

Burglary, Robbery, and Forgery Insurance

Safe Depository Liability Insurance

Safe Deposit Box Burglary & Robbery Insurance

Valuable Papers Insurance

Securities Insurance

Glass Insurance



FIDELITY and DEPOSIT

COMPANY OF MARYLAND

Founded 1890—Baltimore, Md.

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

ANOTHER FINE PRODUCT IN EDISON'S COMPLETE LINE...

Imagine "phoning" your written work!

—and Edison Televoice
costs as little as 9¢
per desk per day!

- ✓ ONE RECORDER SERVES ONE TO DOZENS OF DESKS!
- ✓ EASY AS TELEPHONING!
- ✓ TURNS THOUGHTS INTO INSTANT ACTIONS!
- ✓ NO DISCS, SLIPS, BELTS TO MANIPULATE!
- ✓ "DELIVERS" DICTATION RIGHT TO SECRETARY!
- ✓ PERFECTED, PROVED AND PATENTED BY EDISON!

Believe it or not, that's a dictating instrument the man above is using—the sensational new EDISON TELE VOICEWRITER! Here's a design for you—like the telephone you've used for years—that *invites* use. You simply *phone* your written work, without delay or effort, directly to the recorder at the *secretary's* desk. You enjoy free-line service with Edison-engineered circuits scientifically matched to your work-load demand. Work flows out, productivity is boosted, for staffs large or small. Televoice cuts instrument dictation costs as much as 66⅔%! Rent it or buy it—but *try* it! See what wonders it can work for you—now!

Edison TeleVoicewriter *The Televoice System*

EDISON, 97 Lakeside Ave., W. Orange, N. J.

Okay—send me A LINE ON TELEVOICE

NAME _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____



GET THE WHOLE STORY—NOW!
Send for this new descriptive
booklet. Or, to arrange a demon-
stration, call "EDIPHONE" in
your city. In Canada: Thomas A.
Edison of Canada, Ltd., Toronto
1, Ontario.

Thomas A Edison
INCORPORATED



"They're from my wife. I'm asking for
a raise today"

Family Forum

AN authority on trusts and estate planning joins BANKING's family finance forum this month. His well known name is GILBERT T. STEPHENSON.

For many years Mr. STEPHENSON, now retired, was active in the Equitable Trust Company of Wilmington, Delaware, the Trust Division of the American Bankers Association, and The Graduate School of Banking. At the latter his title was Director of Trust Research. He has written extensively and expertly on trust affairs, and is a top notch answerer of the questions our forum will put to him.

We're proud of the other current participants, too: MILES L. COLEAN (real estate); J. K. LASSER (taxes); JAMES W. WOOSTER, JR., (investments); MABEL F. THOMPSON (personal finances); and MARION STEVENS EBERLY (life insurance). Others will join the forum from time to time.

May we suggest a look at "The Family Dollar"? It starts on page 47.

*Something just as good looks good
until the real article comes along.*

When zippers replaced buttons on the backs of dresses, woman gained her independence from man.

Unfortunately what a country needs is not New Deals, Fair Deals or Square Deals, but Ideals.



HOLLYWOOD STARS work for You **FREE**

when you advertise
in the Movies!

Would you like to have
Hollywood's most popular stars
help *you* advertise? They do when you use
"Screen Broadcast" Movie Advertising in your local theatres
... and the cost of this powerful advertising is surprisingly low.

Advertisers on Radio and Television pay fabulous sums to entertain
and draw audiences. By contrast, local movie-goers — the residents of your trade
area — pay admission to watch the screen on which your advertising message appears,
dramatically demonstrated in a talking motion picture.

For further information on this result-getting advertising medium, clip and mail the coupon now.



The SCREEN BROADCAST Companies

UNITED FILM SERVICE, INC.
Kansas City — Chicago
Cleveland — San Francisco

MOTION PICTURE ADVERTISING
SERVICE CO., INC.
New Orleans — New York

SCREEN BROADCASTS

2449 Charlotte, Kansas City 8, Missouri

I would like to know more about your
Screen Broadcast Advertising Campaign.

FIRM _____

ADDRESS _____

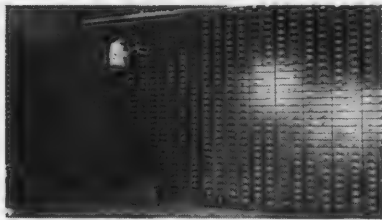
CITY, STATE _____

BY _____

Save space!



Save time!



- Speeds Finding 100%
- Lasts a lifetime
- Increases capacity of your present area

We're not exaggerating when we say that Safe-T-Stak could increase the capacity of your present storage area 10-20 or even 30%. Safe-T-Stak all steel construction brings "big file" features to the storage of your inactive records—and protects them for a lifetime. Stop wasting time hunting through musty boxes, or dusty bundles. Gain good housekeeping, cut down your fire hazards with Safe-T-Stak. Write now for a survey or quotation—the coupon will speed your request.



**Immediate Delivery
7 Popular Sizes!**

DIEBOLD, INCORPORATED
Serving Business for over 92 Years

Microfilm • Rotary, Vertical and Visible Filing Equipment • Safes, Chests and Vault Doors • Bank Vault Equipment • Burglar Alarms
Factory Branches and Dealers in all principal cities

DIEBOLD, Incorporated,
2009 Mulberry Road, Canton, Ohio
() Have your File Analyst call for a survey, without obligation.
() Send me a quotation on _____ files in these sizes—
NAME _____ TITLE _____
BANK NAME _____
CITY _____ STATE _____



"It isn't necessary to give you proof on your advertisements," declared the business manager of the weekly newspaper. "We have our staff so well trained that they don't make any mistakes, so you are saved all that bother of checking your ads."

It sounded good, but the bank's copy writer, nevertheless, worried. The more time sped away, bringing publication day nearer, the stronger her hunch grew that she should see that advertisement before it appeared in print. Finally, late in the afternoon of the last day, she went over and insisted on having a proof pulled.

The advertisement concerned bank loans for car repairs. In the corner was a picture of an old "beat-up" car, with the question, "Is the Old Jalopy Headed for the Junk Pile?" Then came the message, "Many an old bus can be made as good as new by the addition of new batteries," etc., etc. The picture was all right. The question was O. K. But—inadvertently the letter "t" had been added to the word "bus"! Hunches do pay off sometimes—that was one time the errorless newspaper staff had made a bad mistake.



At the start of the football season this year, our bank had to endure quite a little kidding, all on account of an advertisement. There was to be a special "football page" each week in the local paper, in honor of the team, with advertisements

from local business houses and stories about the various players. Of course the advertisers paid for the page, in honor of the "football team. Our bank's advertisement read:

"Wishing a successful season to
THE YELLOWJACKETS
THE FIRST NATIONAL BANK"

It appeared as follows:

"**THE YELLOWJACKETS**
Wishing a successful season to
THE FIRST NATIONAL BANK"

You never can be sure, anyway, what ideas people will get from the printed word. A week or so ago, following the request of the Treasury Department, we carried a little item in our weekly bank column telling about the current shortage of pennies and asking any people who had large numbers of these in their possession to bring them in to the bank and exchange them for money of larger denominations, so that the pennies could be put back into circulation.



In came a lady with a paper bag full of pennies. The teller welcomed her and called someone to count and wrap the coins. They totaled \$82.57. The teller counted out that amount to her.

"Why, you're only giving me the same amount I gave you in pennies!" exclaimed the customer. "I want more than that for them. The Government says they're scarce, and if they're scarce, they're worth more. You said in the paper you would exchange money of larger denominations for pennies," she accused, "and here you're not even giving me a cent for all my trouble in bringing them down to you!"

When the teller gently explained that the bank could pay only the face value of the pennies, the customer insisted on having the pennies back, put them in the paper bag and walked off indignantly.

BELLE S. HAMILTON



THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

STATEMENT OF CONDITION, SEPTEMBER 30, 1951

RESOURCES

Cash and Due from Banks	\$1,378,828,483.85
U. S. Government Obligations.	1,199,967,856.09
State and Municipal Securities	255,997,393.36
Other Securities	266,859,704.24
Mortgages	52,686,035.09
Loans	1,953,537,210.05
Accrued Interest Receivable	10,976,998.16
Customers' Acceptance Liability	23,176,029.79
Banking Houses	28,391,794.22
Other Assets	3,988,734.69
	<u>\$5,174,410,239.54</u>

LIABILITIES

Deposits	\$4,747,263,338.58
Dividend Payable November 1, 1951	2,960,000.00
Reserves—Taxes and Expenses.	24,677,613.26
Other Liabilities	15,398,603.84
Acceptances Outstanding	26,978,212.61
Less: In Portfolio	2,065,754.49
Capital Funds:	
Capital Stock.	\$111,000,000.00
(7,400,000 Shares—\$15 Par)	
Surplus	189,000,000.00
Undivided Profits	59,198,225.74
	<u>359,198,225.74</u>
	<u>\$5,174,410,239.54</u>

United States Government and other securities carried at \$496,605,714.00 were pledged to secure public and trust deposits and for other purposes as required or permitted by law.

Member Federal Deposit Insurance Corporation

Deep River's Deep Mystery

or, the Slain Bank Robber and the Lady in Black

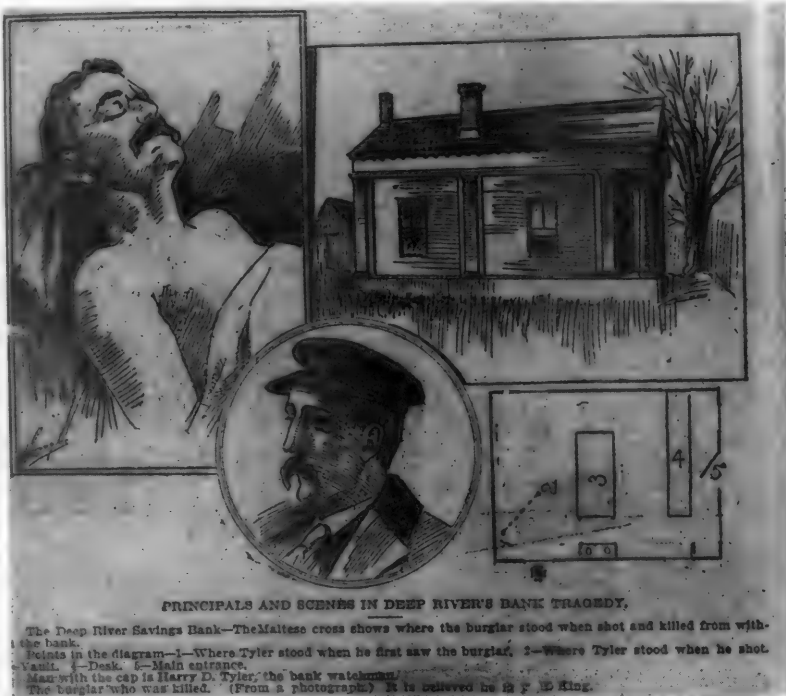
THE chances are you didn't attend the 100th anniversary celebration of the Deep River (Connecticut) Savings Bank last July 29. You therefore missed not only an opportunity to offer congratulations, but to hear the story of the "XYZ burglar," the mysterious "lady in black," and the valor of a trusty watchman. He, on a winter's night 52 years ago, successfully defended the bank against four men whose visitation boded no good for the cash.

You also missed seeing the Deep River's display recalling what is undoubtedly the most exciting incident in the bank's long history. Shown to visitors were newspaper clippings reporting in detail the events of that 1899 night, the brass knuckles found just under the bank window, the photograph of the bandit slain by watchman Harry Tyler's trusty shotgun, the gun and a picture of Harry himself, taken when he received a \$500 reward for a job well done.

And last but not least were two letters sent to the bank by the Protective Committee of the American Bankers Association, warning that a robbery was in the making.

The people at the Deep River would have told you that the burglar lies in Fountain Hill cemetery under a small stone marked "XYZ," and that for many years a woman, dressed in black, came annually to put flowers on the grass-covered grave. In 1949 the visits ceased. In all that time no one learned her name.

Melodrama? Sure! But the present officers of the Deep River felt that the frustrated robbery should be recalled as a highlight of the bank's hundred years, so they displayed the mementoes on a desk in the directors' room and spun the yarn to all who cared to hear it—



The Hartford Courant of December 14, 1899, gave the Deep River story nearly a page. This is the "art" that accompanied it

as, of course, many did. Harry B. L. Marvin, vice-president and treasurer, made possible its presentation to BANKING's readers.

ON the morning of March 1, 1899, Asa R. Shailer, president of the bank, found on his desk a letter from the American Bankers Association. A month before the A.B.A. Protective Committee had warned him that "a band of burglars" was being formed to "operate on banks in Connecticut" and that his bank and the Deep River National were among the prospective targets.

Presumably President Shailer opened this second letter in trepidation as well as haste. His uneasi-

ness could hardly have been relieved when he read:

Dear Sir:

Referring to our confidential letter of January 31, in which we mentioned that a band of burglars was being organized to operate in Connecticut, we beg to add for your information that our detective agency has been further advised that these burglars are contemplating an attack on a bank at Deep River when the moon has waned and the nights have grown darker.

Very respectfully,
Protective Committee
American Bankers Association

Shailer was, of course, impressed. He passed the word to his directors (CONTINUED ON PAGE 18)

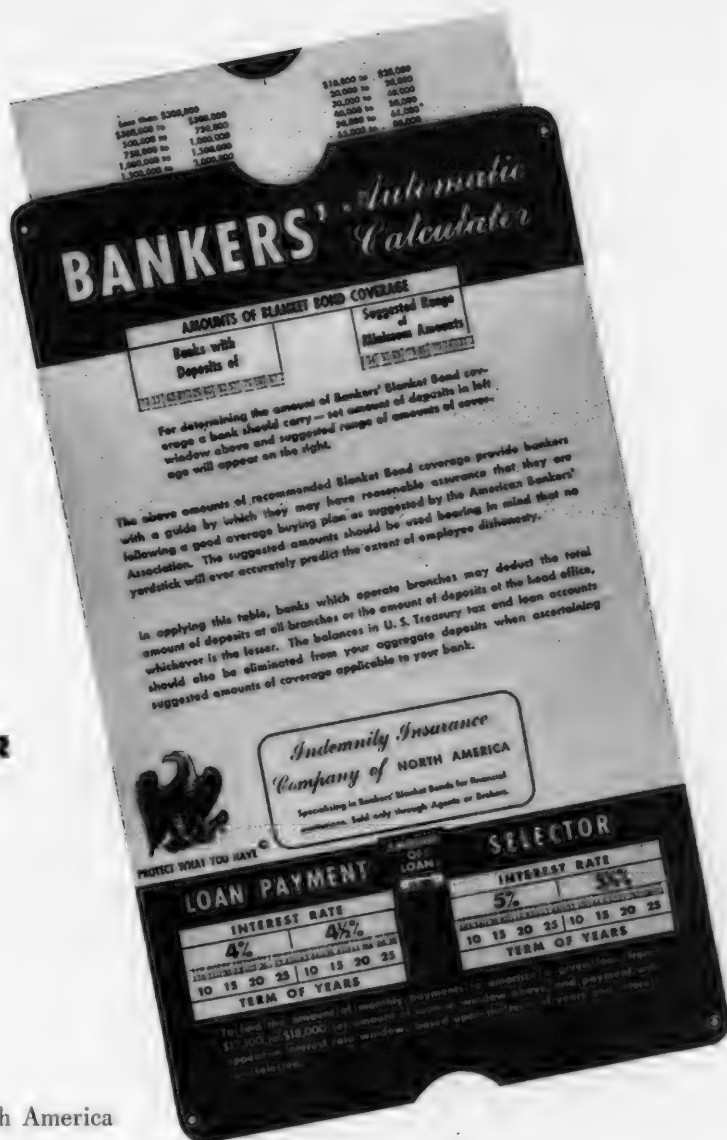
NEW BANKERS' AUTOMATIC CALCULATOR

READY

ASK FOR YOUR COPY

Indemnity Insurance Company of North America has published a new Bankers' Automatic Calculator that is now ready for distribution through its Agents.

It is a convenient device for your desk, consisting of a heavy card panel with windows. As you manipulate the card in the slot you instantly slide into view the recently revised suggested amount of Bankers' Blanket Bond coverage needed, as recommended by the American Bankers' Association. Ask any Agent of Indemnity Insurance Company of North America for a copy.



An added feature of this calculator is a device by which you can compute automatically the monthly amortization charge on a large selection of loan amounts at four different interest rates.



INDEMNITY INSURANCE COMPANY OF
NORTH AMERICA
1600 Arch Street, Philadelphia 1, Pa.

PROTECT WHAT YOU HAVE®

WE HAVE GROWN BY BEING USEFUL

- It's as simple as that.

For over 120 years the Central-Penn National Bank has been transacting business in Philadelphia for customers and associates all over the nation.

We know Philadelphia intimately. We are glad to place our extensive facilities, and our complete banking service, at your disposal whenever you wish financial representation in this great city.

CENTRAL-PENN NATIONAL BANK of Philadelphia

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

Shortages occur in the property accounts

- A check of the property accounts against the property itself frequently reveals substantial unrecorded deductions.

Such unexplained shortages may be prevented through Continuous American Appraisal Service which keeps the property record in line with the property facts.

The AMERICAN APPRAISAL



Company

Over Fifty Years of Service

OFFICES IN PRINCIPAL CITIES

The American Bankers' Association.

20 BROAD ST. AND 18 NEW ST.

NEW YORK, February 28, 1899.

Ass R. Shaller,

President Deep River Savings Bank,

Deep River, Conn.

Dear Sir:

Referring to our confidential letter of January 31, in which we mentioned that a band of burglars was being organized to operate in Connecticut, we beg to add for your information that our detective agency has been further advised that these burglars are contemplating an attack on a bank at Deep River when the moon has waned and the nights have grown darker.

Very respectfully,

AMERICAN BANKERS' ASSOCIATION

Here's the A.B.A. letter warning of the prospective robbery. An earlier letter reported "confidential information" that "a band of burglars is being organized to operate on banks in Connecticut"

(CONTINUED FROM PAGE 16)

who promptly adopted what you might call (to borrow a trust business phrase) "the prudent man" policy—they hired Tyler as a watchman, equipped him with a shotgun, and sat back to some uneasy waiting.

Well, the moon waned and the nights grew darker, but nothing happened. Nor was the serenity of life in Deep River disturbed the next month, or the next, or the next. Indeed, through that spring, sum-

mer, fall and early winter Harry Tyler had nothing to do but feed his patience and keep his powder dry. Perhaps he thought, "Now this is a lot of nonsense, but if they want to pay me for it . . ." (All right, Harry—just you wait!)

Came the night of December 13, 1899—10 months after that A.B.A. letter. Moonlight, confounding the A.B.A. prediction, was making its way through fog as midnight passed.

Just after 1 o'clock Tyler's mo-

Part of the bank's 100th birthday display. The center photograph is Tyler, "the man who fired the shot." At the far right is a photo of "the man who got it." The "gun that did the job" and the brass knuckles found outside the bank are other mementoes of an eventful night in Deep River, Conn.



notonous vigil was broken by the barking of a dog up the street. The dog always barked at strange noises, and Harry—ever the prudent man—invariably looked out to learn the cause.

Going to a window he saw four men near the corner of Main Street. Probably some of the local boys were trying to scare him—but he kept an eye on the group. Presently the men started toward the bank, walking single file in careful lock step.

Tyler slipped to a better vantage point. One of the men came up the bank's steps, another went to the south window. Tip-toeing to the spot, Harry, with gun ready, heard fumbling at the north window. A cautious glance through the shutters revealed two men, one with a revolver, trying to force the sash.

The watchman stepped back and fired. Then he sneaked into the shadow and waited 10 minutes. Nothing happened, so he looked out. A dead man lay just outside.

HARRY was a hero, of course, and lived in honor the rest of his life. But wait a minute—this isn't the end of the story. We're not through with the dead man.

Hundreds of people, from Deep River and the countryside, viewed the body. For a time, some believed the man was one F. E. King, but nobody could (or would) make positive identification, and the corpse was taken to the village receiving vault. Two women and three men followed the cart that carried the coffin.

After the burial Tyler got an anonymous letter asking that the grave be marked "XYZ." It was done. Bearing only those initials, the stone is still found in the town's cemetery, if you know where to look.

The woman in black? Well, she began her yearly visitations soon after "XYZ" was interred. Each year, so the story goes, she'd get off a train, walk the tracks from the station, enter the cemetery through the back gate, leave flowers on the grave, and depart. She was never intercepted.

The story ends, finally, with this note from Mr. Marvin:

"It is reported that the Lady in Black has not decorated the grave in the last two years."

J. L. C.

The pulse of Canada

You can feel the pulse of Canada through our Monthly Commercial Letter, which will be sent to you regularly upon request.

With nearly 600 branches strategically located throughout Canada, we can provide authoritative economic information on the products, markets and opportunities of interest to U. S. business men.

These facilities are at the disposal of American Banks in behalf of their customers.

The Canadian Bank of Commerce

Head Office—Toronto
New York • San Francisco • Seattle
Portland, Ore.



SUN LIFE ASSURANCE COMPANY OF CANADA

First policy issued 1871 • Head Office: Montreal
100 OFFICES THROUGHOUT NORTH AMERICA

How To Be a Mind Reader

A One-Act Work-Play by Jay Sanders

CAST: *Narrator* Should be an effective speaker.
Mr. Sloan Loan officer.
Mr. Jackson The customer. A meek, subdued individual. He is awed by banks and bankers.
"Thoughts" The opposite of Mr. Jackson, as a contrast. He is what Mr. Jackson would like to be.

SCENE: Bank interior. Desk at center stage, slightly upstage. Desk is placed with one end toward audience, at a slight angle, so that audience can see the faces of the men seated at the desk. Two chairs, one on either side of desk. As scene opens Mr. Sloan is seated at desk, apparently going over some papers.

CURTAIN

NARRATOR (standing down stage right, speaking directly to the audience): Have you ever wanted to be a mind reader? To possess the ability to read another's mind, to know his mental reactions, to actually hear his thoughts? Suppose, through some psychic phenomena, you could listen in on the thoughts of the customers in your bank. What would you hear? Would you like it? (Pause.) For a few moments now we're going to grant you the power to read another's mind . . . the ability to hear the thoughts of one of your customers. (Turns and gestures towards the stage.) Mr. Sloan, one of your bank's loan officers, is seated at his desk. Mr. Jackson, owner of a small business in your community and one of your bank's customers, is entering.

(JACKSON enters stage left, stands as if undecided, looking nervously about him. THOUGHTS, looking like JACKSON and dressed exactly like him, swaggers in behind JACKSON, surveys things rather brazenly.)

NARRATOR (continues as JACKSON and THOUGHTS enter): Behind Mr. Jackson is "Thoughts", the voice of

Mr. Jackson's mind. They, of course, being mere mortals, cannot see "Thoughts", but you with your special ability, cannot only see him, but you can hear him as well. Is this what you would hear in your bank?

NOTE: (SLOAN and JACKSON completely ignore the presence of "THOUGHTS". It's as though he weren't there at all. He is very much there, however. He has a definite personality. He is uninhibited and completely unimpressed by banks and bankers.)

SLOAN: Good morning, Mr. Jackson.

JACKSON (looking over towards SLOAN): Good morning.

THOUGHTS: Say, he isn't busy now. I think I'll just go over and ask him about it. (He saunters over and leans on the chair across the desk from SLOAN. JACKSON follows him.)

SLOAN (rising): Can I help you with something?

JACKSON: Yes. I . . . that is, there's something I've been wanting to ask you.

SLOAN: Sit down.

(JACKSON seats himself across from SLOAN. THOUGHTS continues to loiter, leaning on the back of JACKSON's chair.)

SLOAN resumes his seat.)

JACKSON: Remember when I got that loan for my business last month? Three hundred dollars at five and a half percent interest?

SLOAN: Why, yes, I remember.

JACKSON: Well, a friend of mine who works for the Star Manufacturing Company told me they got a loan at three percent interest. What I want to know is why the big difference?

SLOAN: Their loan was for a much larger sum than yours.

THOUGHTS: Well "natch". They're a big outfit. I can just see me asking for as much as they got.

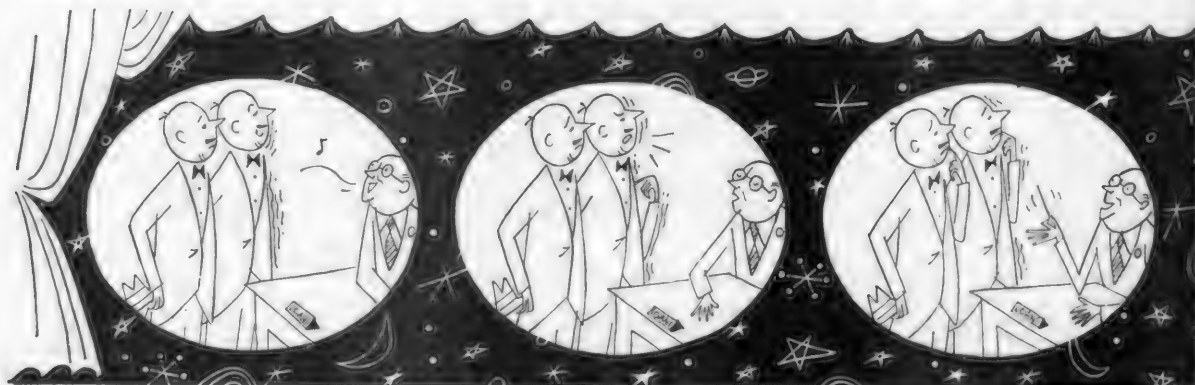
JACKSON: You mean the bigger the loan the smaller the interest?

SLOAN: That's right. You see, it's a variable rate.

"Good morning, Mr. Jackson."

"You mean I'm not reputable?"

"But look at it this way. . ."





Above is a suggested stage setting for this playlet. It may be varied to suit local conditions, but an effort should be made to place the furniture so that the audience can see the faces of the actors.

The narrator should be kept apart from the stage action. As he finishes his opening lines he can step off stage, or simply step back and stand quietly watching the stage action.

An attempt should be made to gain contrast between Mr. Jackson and Thoughts. Contrast in physical appearance would be helpful, with Mr. Jackson a smaller, older man. The character of Thoughts should be good for a few laughs, but it should be an ironic humor.

Burlesquing the character will ruin the point of the playlet. Don't overdo the part.

The actors should completely ignore the presence of Thoughts. When he speaks they should hold their positions almost as statues, then go on as if never interrupted. Thoughts' long speech is, of course, an exception. Mr. Sloan should be reading papers on his desk, and Mr. Jackson should be lighting a cigarette as motivation for stopping. After lighting it, he should simply stand there looking thoughtful until Thoughts finishes his speech.

THOUGHTS: I don't care what you call it. What I want to know is . . .

JACKSON (*interrupting*): What I want to know is why charge them three and me five and a half?

SLOAN: Well, of course, Mr. Jackson, we must realize a profit on loans.

THOUGHTS: Boy and don't I know it? But why make it all on me?

JACKSON: Yes, of course. I . . . I understand that.

SLOAN: In order to make a profit, we must first subtract overhead. It costs us much less to make a loan to a reputable company like the Star concern.

THOUGHTS: You mean I'm not reputable?

JACKSON: I . . . I see. (*He doesn't at all.*) Well, I . . . I just wondered about it.

SLOAN (*rising, very expansive*): Glad I could help you. Good day, Mr. Jackson. (*He sits down, busies himself with papers.*)

(JACKSON starts toward exit stage left, pauses to light a cigarette. THOUGHTS wanders disgustedly after him.)

THOUGHTS: Aaaah, it's just not right. Big business gets anything it wants, and at it's own terms . . . but

the little man? He gets crumbs! That jerk, Sloan . . . stalling me with his big words and pat answers. Why didn't he just say they have to play ball with the big boys? That's what it is, alright. Play ball with the big boys and soak the little guy. (*mimics SLOAN.*) "Got to make a profit". Sure . . . and they make it on the little man. Aaaah, it's a dirty system!

(JACKSON and THOUGHTS exit stage left.)

NARRATOR (*speaking directly to audience*): Is that what you would hear from one of your customers? It would be quite a shock, wouldn't it? Your loan officer has enlarged Mr. Jackson's misunderstanding of one of your bank's policies into a feeling of distrust of your entire bank, merely by not understanding the customer's point of view. This distrust can easily spread from Mr. Jackson to other customers and result in a severe loss of business. (*Pause.*) How would you have handled Mr. Jackson's question? Let's call back our actors and give Mr. Sloan another chance.

JACKSON and THOUGHTS enter and assume places as before.)

JACKSON (*when seated*): Why charge me five and a half and them only three?

THOUGHTS: Yeah, why? Because they're big business and I'm just a little guy?

SLOAN: It looks like discrimination against the smaller business man, doesn't it?

THOUGHTS: It sure does.

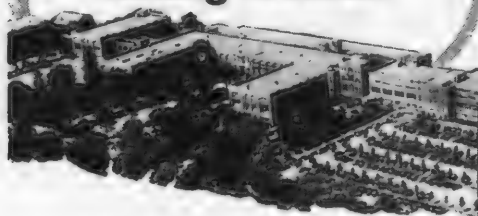
SLOAN: But look at it this way. Suppose we were to loan 100,000 dollars. We might loan 100 dollars to each of 1,000 borrowers, or we might loan the entire sum to a single borrower. There is a certain amount of work connected with each loan, no matter how large or small. This work involves a certain amount of expense which must be paid back to us in the form of interest. Which do you think would be less expensive to us? 1,000 loans of 100 dollars, or one loan of 100,000 dollars?

(CONTINUED ON NEXT PAGE)

"Hey, that sounds good!"

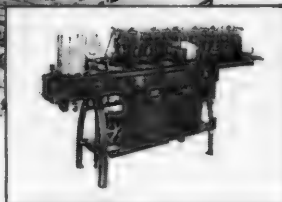


The Inserting & Mailing Machine



cuts mailing costs . . .

**for
DOUBLEDAY**
and for thousands
of other mass
mailers



Wage rises, manpower shortage and production pressure are causing top management to seek ways to cut mass mailing costs. The Inserting and Mailing Machine does just that—simply. Just press the button and "Zoom!"

—you slice 4/5 off your mailing costs. One Inserting and Mailing Machine does the work of 12 to 20 people. It accomplishes 6 operations. Never an insert too few, never one too many.

It's better than human — its electric controls make it blunder-proof.

INSERTING & MAILING MACHINE CO.
PHILLIPSBURG, NEW JERSEY

• Doubleday & Co., Inc., Garden City, N. Y., publisher, first installed an Inserting and Mailing Machine in 1946 and has saved tens of thousands of dollars since. They write, "We are very satisfied . . . we have seven machines in operation . . . and have yet to find a machine comparable to the ones we are using."

• **Newest Methods in Mailing Procedure—just write for them.** Let us show you how easy it is to solve your mailing problems.

GATHERS ENCLOSURES INSERTS INTO ENVELOPE SEALS ENVELOPE PRINTS POSTAGE INDICIA COUNTS & STACKS

Merger of

BANK OF AUSTRALASIA, Established 1835
and **THE UNION BANK OF AUSTRALIA LIMITED,**
Established 1837

These two Banks, with extensive Australian and New Zealand connections built up during more than a century of uninterrupted trading merged on

OCTOBER 1st, 1951

to form one bank named:

**AUSTRALIA AND NEW ZEALAND
BANK LIMITED**



A.N.Z. Bank, with its complete coverage of Australia, New Zealand and Fiji, offers overseas agents every banking facility, and specializes in the supply of economic and commercial information.

PRINCIPAL OFFICE FOR AUSTRALIA AND NEW ZEALAND:

394 Collins Street, Melbourne, Australia

PRINCIPAL OFFICE IN NEW ZEALAND:

Lambton Quay, Wellington, New Zealand

HEAD OFFICE:

71 Cornhill, London, E.C.3.

Capital Authorised	(£Eng. 17,000,000)	£A21,250,000
Capital Paid Up	(£Eng. 8,500,000)	£A10,625,000
Reserve Liability of Shareholders	(£Eng. 8,500,000)	£A10,625,000
Reserve Funds	(£Eng. 5,750,000)	£A 7,187,000

TOTAL ASSETS EXCEED £A400,000,000

Over 700 branches and agencies throughout Australia and New Zealand, in Fiji, and in London

THOUGHTS: Say, I never thought of that.

JACKSON: Why, the one loan would cost you less, naturally.

SLOAN: Of course. Now in the case of the Star Company, our expenses were even lower than usual. Because of previous loans, we already had all the facts about them on hand, and no investigation was necessary.

JACKSON: I see.

SLOAN: Now that we have facts and figures about you, it is very likely that, should you need another loan, it will be less expensive to us, and as a result, less expensive to you.

THOUGHTS: Hey, that sounds good!

JACKSON (pleased): I see. Thank you very much, Mr. Sloan. You've made things very clear. *(Rises.)*

SLOAN (rising): Glad I could help. Good day, Mr. Jackson.

(He resumes seat to curtain.)

JACKSON: Good day. *(Starts toward exit.)*

THOUGHTS (following): Say, that Sloan's alright. He explains things so a guy can understand.

(JACKSON AND THOUGHTS exit stage left.)

NARRATOR: This time Mr. Sloan took his customer into consideration and gave an explanation that satisfied him. These simple misunderstandings about variable loan rates, service charges, and many of your bank's policies can and do arise quite easily and very often. A stock answer is not enough! You must acquire a sensitivity to each individual. You must try to put yourself into his place . . . to understand his point of view. Mind reading would be a help, but it isn't necessary. If you will work sincerely toward understanding your customer and his point of view, you'll find that you can give him a completely satisfactory explanation without ever needing to read his mind.

CURTAIN

A man of means is one who left the country to live in the city and who leaves the city to live in the country.

Economics is confusing. Americans have prosperity living in mortgaged homes with instalment furniture and buying gas on credit to drive instalment cars on bonded highways.

Smart LUGGAGE



It looks smart and it is smart, this really portable GRAY AUDOGRAPH. Most rugged dictating machine, it outdistances all others in performance.

Executives find the lightweight AUDOGRAPH invaluable on trips. And field representatives and salesmen dictate detailed reports while important ideas are still fresh in their minds . . . simply soundwrite their thoughts and

mail the discs back to the home office. Result: better and faster reports.

One lever control makes operation simple. No arms to fuss with. Relax, think out loud. One flexible plastic disc holds over an hour's dictation . . . can be resurfaced for reuse up to 50 times.

Your secretary will appreciate AUDOGRAPH, too. Exclusive illuminated index flashes a red light to warn her of approaching corrections; a green light for ends of messages. Tone control gives full treble-to-bass range. Get particulars. Send the coupon today.

Dictation is easier — with AUDOGRAPH!

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AUDOGRAPH sales and service in 180 U.S. cities. See your Classified Telephone Directory under "Dictating Machines." Canada: Northern Electric Company, Ltd. Abroad: Westrex Corporation (Western Electric Company export affiliate) in 35 countries.

TRADE MARK "AUDOGRAPH" REG. U. S. PAT. OFF.



The Gray Manufacturing Company,
Hartford 1, Connecticut
Send me Booklet 11-U—
"Manpower—starts with YOU!"



NAME

TITLE

FIRM

STREET

CITY



Heard Along Main Street

This department is compiled by THEODORE FISCHER of BANKING's staff.

Banker-Commuter Is Author, Too

PUBLICATION of *Fun on the 5:15* is just being announced by the Hewlett Publishing Company. This commuter saga is the work of an executive in the public relations department of a big New York City downtown bank who modestly preserves anonymity through the *nom de plume* of Osborn Fort.

Banker-author Edward Streeter, who wrote a previous best seller on the subject (*Daily Except Sunday*) as well as *Father of the Bride*, contributes a foreword. Artist Kurt Stoessel has done the snappy illustrations.

The new volume rehearses various phrenetic doings in the lives of certain "knights of the timetable."

Notes for the book were scribbled furtively on the backs of envelopes in swaying coaches, on scraps of paper bearing such notations as "buy 2 pork chops," or, as on a few occasions, on the margins of old parking tickets found on the windshields of family jalopies hastily deserted at way stations.

Attorney N. Q. ADAMS has been elected trust officer of the First National Bank, Mobile, Alabama. A. DANNER FRAZER, formerly trust officer, has been promoted to assistant vice-president and will be associated with the bank's commercial department.

S. A. WICKSTROM, for the past five years petroleum engineer for the Second National Bank, Houston, Texas, has been elected assistant vice-president in the bank's oil and gas department.



Byron M. Randall



William H. Moore

BYRON M. RANDALL has been appointed trust officer and elected a vice-president of the United States National Bank of San Diego.

WILLIAM H. MOORE has been advanced to vice-president at Bankers Trust Company, New York.

GEORGE B. EMENY has been made a director of The Farmers National Bank, Salem, Ohio, succeeding his father the late F. J. EMENY. MR. EMENY is a great grandson of Joseph J. Brooks, who was president of the bank from 1854 to 1862, and the grandson of J. Twing Brooks, president from 1862 to 1901.

MRS. MARJORIE L. HEAD has been made an assistant cashier of the First National Bank of Arizona, Phoenix. She is the fourth woman to be made an officer of the bank this year. MRS. IDA S. SPRY has become a pro-assistant cashier.

OSWALD HOPPER has been made a vice-president of the First National Bank of Jersey City, New Jersey. JOHN G. HEWITT is a new assistant vice-president.

ROGER W. ADAMS has joined the Citizens Bank in Sarasota, Florida, as executive vice-president. He came to Florida from Cincinnati where he was vice-president and head of the correspondent bank department of the First National Bank. Prior to

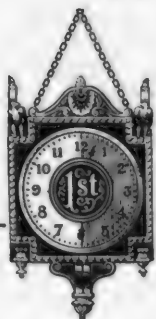
(CONTINUED ON PAGE 26)

On the occasion of his 50th anniversary with the bank I. F. Freiburger, left, board chairman of the Cleveland Trust Company, received this elaborate cake from the employees. He received also a new set of luggage from the bank's officers. President George Gund is shown with Mr. Freiburger



RAPID ROUTER

means **FAST SERVICE** at **THE FIRST!**



Within 30 minutes of their arrival time,
your important sendings can be on their way!

Here's the high-speed handling your important sendings (checks and other items on which you wish special attention) receive when you use Rapid Router service at The First:

1. **Sorted** to LOCK BOX R R by postal clerks, separate from our regular mail.
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(CONTINUED FROM PAGE 24)

that he was president of the State National Bank, Frankfort, Kentucky. Mr. ADAMS is permanent president of the Class of 1939 of The Graduate School of Banking. He has been active in the Kentucky Bankers Association and the American Institute of Banking, and is a member of the Committee on Research in Farm Credit of the A.B.A. Agricultural Commission.

Pioneer Passes

WARREN N. CUDDY, pioneer Alaska banker and attorney, died at age 65. He was president of the First National Bank of Anchorage, and one of the oldest practicing members of the bar in that city.

Mr. CUDDY was born in Maryland, attended the University of Puget Sound, and in 1914 settled in Alaska. He was engaged in law originally, and in the 1930s he became president of the bank.

The *Anchorage Daily Times* eulogized Mr. CUDDY editorially and stated that he "aided young businessmen who were experiencing the problems of rapid growth. Many of today's business leaders in Alaska attribute their success to his patience and assistance in working out their financial problems."

These top management promotions have been made by Bank of America, San Francisco: S. C. BEISE is now senior vice-president; JESSE W. TAPP becomes executive vice-president; H. M. BARDT, vice-president



R. B. Hampson



Elden Smith

and senior trust officer at San Francisco, was added to the managing committee and appointed a member of the advisory council of the Board. Mr. TAPP and RUSSELL G. SMITH, executive vice-president in charge of international banking activities, were appointed to the general executive committee.

RICHARD B. HAMPSON retires as of November 1 as president of Citizens National Trust & Savings Bank of Riverside, California, after 47 years with that institution. Executive vice-president ELDEN SMITH succeeds him as president.

Vice-president PIERCE HARLAN of Kleberg First National Bank of Kingsville, Texas, was promoted to president, succeeding the late SAM FIMBLE, JR. Cashier E. E. MOORE was named vice-president and cashier and elected to the board. CLEATIS O. HAWKINS is assistant cashier.

GEORGE ALLISON, JR., has been advanced to vice-president of The Greenwich (Connecticut) Trust Company.

(CONTINUED ON PAGE 107)

Officers and employees of The First National Bank of Carbondale, Pennsylvania, dressed like this for the entire week of the city's centennial celebration. The central female figure is Mrs. May B. Manville, official hostess for the bank during the celebration. Her father was James Stott, one of the founders in 1856 of the private bank which was the forerunner of the First National, and cashier of the bank when it was established 87 years ago



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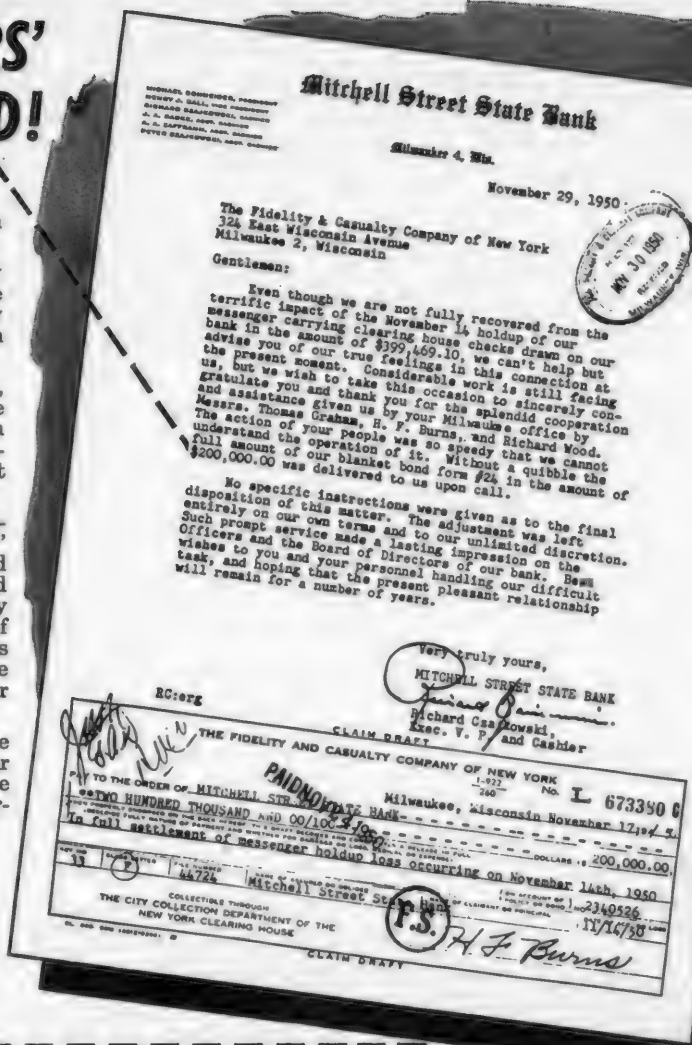
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The OUTLOOK

and CONDITION OF BUSINESS

WHILE business keeps watching for signs and symptoms and the civilian end of it at least is counting a great deal on Santa Claus, the truth is that the outlook has seldom been so clouded with certainty and fraught with facts and things we know definitely.

Yet wherever people gather together these days for a little friendly commiseration or when speakers get up or editors and the like sit down at their desks to worry, it is always uncertainty that gets their chief concern. The tune, now so familiar, goes something like this: we are fighting communism abroad, inflation at home, or vice versa, and no one knows what might happen on either front.

Aside from the fact that futures are always uncertain to some extent, this particular one seems less so than business has experienced in many a year. The things we are sure of today would fill a book.

We know that the defense program will continue until the world's balance of power has been restored.

We know that our Government will spend at least \$100,000,000,000 on national mobilization in the next two years and it will not stop there.

We know that heavy deficit financing is part of the fiscal scenery for some time to come, that the pay-as-you-go idea is a dead duck and that the process of getting and spending these billions is far and away the dominant element in the whole business picture.

We know that taxes will not be reduced in the foreseeable future and are more likely to rise.

We know that this will involve more and more Government management of the country's business structure.

It is certain that business will resist this trend toward Government control. Agriculture and labor will also resist and with more success because they represent more votes.

We know that the arming program will pour dollars into defense and defense-supporting businesses and take dollars away from the others. It will do the same with materials and manpower. It will increase civilian in-

comes and reduce the supply of civilian goods and sooner or later this money will cause trouble getting itself spent.

We know that this picnic cannot last forever because permanent prosperity cannot be built on such a foundation.

We know that this program will continue regardless of how the national elections turn out next year because we do not intend to remain on the humiliating spot we have occupied for a year and a half.

We can be fairly sure that Russia will not risk all-out war as long as she is doing so well without it.

Finally there may be some uncertainty about what the Communists will do but we know they will do something because they live on mischief and deception.

We know that we, together with England and the rest of western civilization, have made some colossal miscalculations in recent years and that we are continuing to make them. This means certainly that we can't expect real peace until there is more expert handling of our side in this historic contest.

One sign of returning consciousness is a sentence or two from a recent editorial in the *New York Times*:

"In any event, there is no denying that if the present trend continues a vacuum or something approaching it is going to be created in the Near East. It has always been taken for granted that only the Communists can fill vacuums. The time has come to ask why democracies cannot fill them? The United States must especially ask itself that question. Vacuums do not need to be filled by stooge Governments or military force. Our economic and financial power, our ability to provide or hold back military aid, the extension of Point Four assistance, a firm diplomacy that encourages friendly Governments and social and economic reforms, a determined stand for the rule of law and morality in international affairs—these are legitimate and powerful weapons. But they must be used in good time, with energy and imagination."

The significance of this is that, for years, an im-

(CONTINUED ON PAGE 156)

QUESTION:

Not for the Next Year

CHARLES SAWYER

Secretary of Commerce

PREDICTION and prophecy have always been risky, especially in connection with foretelling the future of the American economy. In the past, mistakes have been made equally by the optimists who predicted continued prosperity and the Cassandras who said that depressions were "inevitable." Today, however, I believe enough elements of our economic equation are known so that we can rely with assurance upon a prediction made for a limited period in the future—the next 12 months.

There will be no depression in the next year.

Expenditures — both government and private — are at all-time highs. To meet the needs of the Federal Government, principally for defense items, and to meet the growing wants and needs of the people of this nation, American businessmen are now investing in plant and equipment at the staggering rate of \$25-billion a year. Civilian employment is at the highest point in history and in August of 1951 reached the total of 62,500,000. During the same month unemployment was only 1,600,000, and most of these people had not been out of work for long periods of time, but were changing from one job to another. Total purchasing power is high and increasing.

Government buying for defense goods, already large, is scheduled to grow. Fifty-two billion dollars has now been obligated for military procurement and construction, and appropriations requested for the current fiscal year would make available for defense expenditures

before the end of next June the sum of \$100-billion.

All this has resulted in extraordinary requirements for machines and equipment, especially machine tools, and an enormous demand for raw materials, principally metals. The problem during the coming year will not be a depression problem of buttressing declines in investment, declines in demand for plant and equipment, and declines in employment. The problem will be the job of making up the shortages of basic materials in order to permit construction and manufacturing to proceed at the required rates.

IN response to total demand—private and Government, including military—production of goods and services of the United States has reached a record annual rate of \$327-billion, and will go higher. Even when full allowance has been made for price increases, the physical output, the actual volume of goods and services, is the highest in history, higher even than the previous record reached in 1943-44.

Many retailers have been worried in recent months about recession as they have seen inventories pile up on their shelves and in their warehouses. To them, this kind of surplus, coupled with a falling-off of sales, seems to indicate a dim future for business. Many such retailers who were too enthusiastic about sales—prospects which did not materialize—and who now find themselves having to repay short-term loans are forced to sell almost at any price they can get. However, in the coming months these inven-



Secretary Charles Sawyer

tory surpluses will disappear as people who stocked up heavily after Korea come back into the market, as new customers enter the market, and as replacements for inventory become unavailable because of cut-back orders.

The present programs of defense and defense-supporting industries and the strong demand by business itself for capital goods and equipment will lead to higher volumes of total national production in the next several months, although about 20 percent will be diverted to defense and will not be available for civilian consumption. Purchasing power will increase. Business in general will continue to be good. However, a few retailers, unable to get supplies, and a few manufacturers, unable for a number of reasons to get materials or defense contracts, will be forced out of business.

The great problem with which we are confronted in the next year is not the problem of what to do about a recession. It is the problem of how to allocate our total production so as not to cause a booming imbalance between supplies of money and supplies of goods.

Is There a Depression Ahead?

The Set-Up Is Almost Perfect

EDWIN G. NOURSE

DR. NOURSE, one of the country's leading economists, was formerly chairman of the President's Council of Economic Advisers



Dr. Edwin G. Nourse

MANY people will answer "Yes, there is a depression ahead, because a depression always follows a boom." This is gross oversimplification. "Yes" is a better bet than "No." But we should rely on analysis, not just analogy.

There were many who said we would have a depression in 1946 or 1947 "because we always have a depression after a war." Their analogy proved wrong. Today many businessmen and business economists are saying, "We are in a typical boom which will lead to a typical recession." Some suggest "a recession like 1937, after which we will go on again to great and lasting prosperity." This analogy, too, is misleading.

No two booms have precisely the same causes; no two depressions trace the same course or duration; and no two recoveries show the same pattern. Following talk of a "New Era" of permanent prosperity, we were precipitated into the deep depression of the Thirties. The only considerable upswing in that decade has been called "the disappointing recovery of 1937." Only war bailed us out, and war and postwar prosperity were shaped in no small measure by the creation of a great national debt and its monetization.

We were about ripe in early 1950 for a show-down. Could we get off the stilts of inflation and put our market relationships on a stable peacetime basis without a recessionary shakeout? Answer to that question was postponed by the invasion

of Korea, which introduced a new inflationary stimulus. Eventually that showdown will have to come.

To avoid depressions and maintain prosperity—that is, a high level of sustained use of our resources—we must get a proper structure of price and income relations. This, in a capitalistic society, means balanced incentives to working, to saving, to risk taking, and to consumption. In a free-enterprise system, all this must be done through individual and collective bargaining.

THE intense activity and business prosperity since World War II have been due to expansion and improvement of plant capacity simultaneously with high current consumption and the replacement and enlargement of the consumer's store of durables. Once the drain of war is removed or substantially abated, there will be an enormous volume of goods and services to be digested in the civilian market. Adjustment of price and income relations must come fast if we are not to get into the early stages of a disemployment, which would rapidly spread uncertainty and force further retrenchment in many directions—the typical repression cycle.

So the vital question is: Are the parties to this market adjustment process prepared and mentally conditioned for a swift, amicable, and economically sound working out of these mutual price and income adjustments? Business is committed to large plant capacities and large

credit obligations, and it is saddled with high taxes and high break-even points, pension obligations, and the like. At the same time, it is, in the most strategic areas, pretty well heeled with liquid assets and imbued with a philosophy of trusteeship to stockholders so that it will doubtless dig in for defensive action in the adjustment period. Labor, on the other hand, with the ideology and organization which it has built up over the last two decades, will be no less unyielding in its attitudes and actions.

Since in a rich and highly industrialized nation, so large a percentage of production goes to the satisfying of luxurious or postponable wants, an impasse between the economic philosophies of management and organized labor in the post-military adjustment period could well embrace a substantial part of our industrial area. This deadlock could swiftly involve the areas of current consumption goods, retail trade, and agriculture.

In a word, the United States, which we have just been told is "stronger economically than it has ever been before," has, in fact, an almost perfect set-up for depression.

Review of 1951 State Banking Legislation

JOHN RENE VINCENS

Mr. VINCENS, a member of the New York and Massachusetts bars, is on the legal staff of the American Bankers Association and is assistant secretary of the Association's Committee on State Legislation.

His review of banking legislation appears in instalments, of which this is the first.

THIS year the legislatures of all but four states—Kentucky, Louisiana, Mississippi, and Virginia—met in regular session. The sessions were unusually long, in states where their length is not arbitrarily limited, and the number of new laws enacted unusually large. At this writing more than 15,000 new enactments have already gone into the books, and the legislatures of three states—Massachusetts, Mis-

souri, and Pennsylvania—are still in session.

More than 500 of these laws are of particular concern to banks. On these pages will be summarized only the more interesting of them—"interesting" being used advisedly, in full knowledge that one man's meat is another's paregoric. However, information on any 1951 banking legislation, whether or not summarized here, may be obtained from the Association's Committee on State Legislation.

THOSE who search for trends in legislation may take particular note, in the summaries printed below, of laws strengthening state banking departments, regulating insurance departments, regulating insurance written in connection with consumer loans and instalment financ-

ing, and increasing the amount of loans which financial institutions may make and of deposits which they may accept.

Individual enactments of unusual interest include new bank instalment loan laws in Alaska, Arkansas, Indiana and Missouri; new motor vehicle instalment sales laws in Colorado and Maine; authorization for the "package mortgage" in Indiana; a Florida law making it a crime, under certain circumstances, to stop payment on checks; a Texas law making that state's bank department "independent and self-supporting"; a revision of Alaska's banking law based on the Model State Banking Code; new dormant account laws in California and Maryland; and a New Jersey law regulating check cashers.

ANTI-COERCION INSURANCE LAWS

California c.224. Prohibits those engaged in business of financing purchase of real or personal property or lending on security of such property from requiring purchaser or borrower to obtain insurance covering such property through a particular insurance agent or broker.

Maine c.192. Anti-Coercion Insurance Law. Prohibits coercion in placing of insurance on real estate or personal property by those engaged in making loans, or financing the purchase of real or personal property, or lending money on security of such property.

Pennsylvania H.B.789. Prohibits any mortgagee or pledgee from requiring that real or personal property securing a loan be insured by a particular insurance company.

ASSIGNMENT OF ACCOUNTS RECEIVABLE

Alaska H.B.114. Enacts filing statute, providing for filing of notice of assignment with territorial auditor. Filing is effective for 3 years and is renewable.

California c.1280. Amends existing law to add definition of "value" similar to that used in Negotiable Instruments Law and to make clear that as between

two assignees of same account, the first to file notice prevails.

New Hampshire c.218. Provides that if agreement so provides, factor's lien attaches to all of borrower's present or future accounts receivable, whether or not arising from merchandise subject to lien; that factor's failure to give notice of assignment to account debtor, or factor's assent to borrower's retention of dominion over any account shall not invalidate lien; that filing of notice of lien shall not be valid, with respect to accounts receivable, against holders of prior valid liens on such accounts, or against assignees of accounts previously acquired by valid assignment.

Ohio H.B.260. Simplifies and shortens provisions governing filing of notices in connection with borrowing on accounts receivable.

Wisconsin c.486. Provides that if agreement so provides, factor's lien attaches to accounts receivable.

BANK BUILDING

California c.457. Makes limit of 50% of capital and surplus on investment in bank premises and fixtures applicable to savings banks, as well as commercial banks and trust companies.

Connecticut No. 182, 196. Make clear that banks may "alter or improve" as well as acquire real estate for use in business. Provide that com-

missioner's approval not required for such expenditures not exceeding, per year, 5% of capital and surplus or \$100,000, whichever is less, or in the case of savings banks, not exceeding 3% of capital and surplus.

Wyoming c.29. Permits banks to purchase, hold or lease buildings as well as realty necessary to transact business. Provides that such property shall not be carried on books, as assets, in amount exceeding 50% of capital and surplus, rather than that the cost of such assets shall not exceed that limitation.

BANK DEPARTMENT

Alabama No. 234. Creates independent Department of Insurance, formerly under Department of Commerce. (Bureau of Banking remains under Department of Commerce.)

Alaska H.B.107. Increases Banking Board from 3 to 5 members. Adds 1 banker and 1 non-banker business man for 4 year staggered terms. Provides that Alaska Bankers' Association shall submit 5 nominees to governor for appointment. (Follows Model State Banking Code.)

California c.534. Requires deposit of all money received by bank department in state banking fund rather than state treasury.

Colorado H.B.133. Puts chartering of industrial banks under control of bank commissioner.

Delaware c.259. Increases banking board from 4 to 6 members to be appointed by Governor with consent of Senate, rather than by bank commissioner. Provides that commissioner shall be chairman of board; that no more than 3 members shall be of same political party; that at least 4 shall be executive officers of "banking organizations"; that no member may participate in proceeding before board in which any organization in which he is interested is a party; that members shall be compensated for time spent in performing duties. Provides for terms of 4 years, rather than as fixed by commissioner, but that Governor may remove for cause after notice and hearing. (Follows Model State Banking Code.)

Georgia No. 214. Gives commissioner broader discretionary powers in considering applications for new charters. Provides that in addition to specific capital requirements, capital "must be adequate in light of current and prospective banking conditions," and that commissioner shall have 90 instead of 30 days to consider applications.

Hawaii No. 99. Makes it a misdemeanor to refuse to comply with order to discontinue unsafe or unauthorized banking practices, and a felony to do so with intent to defraud. (Follows Model State Banking Code.)

Illinois H.B.141. Requires officers and agencies in executive branch of state government authorized to administer or interpret any statute to file with the Secretary of State a copy of each rule promulgated.

Iowa H.B.217. Increases commissioner's allowance for attendance at meetings from \$500 to \$1,500 per year.

Iowa H.B.216. Gives bank commissioner rather than State Executive Council authority to permit banks to increase capital by transfer from surplus, undivided profits and reserves.

Maryland c.99. Repeals law prescribing contents of published annual reports of savings banks and provides that they shall be in condensed form prescribed by commissioner, conforming as nearly as practicable to those required by Federal banking authorities.

Michigan H.B.297. Increases commissioner's salary from \$8,500 to \$9,000.

Minnesota c.67. Increases fee for filing application for new charter from \$25 to \$100 plus \$100 investigation fee.

Missouri S.B.218. Repeals provisions which limited bank examiners to 20 in number and limited top salaries of department employees other than examiners and assistant examiners, to \$2,400. Enacts new scale of examination fees, based on total "assets" rather than total "resources." Minimum fee for banks with assets under \$100,000 increased from \$15 to \$50; other fees increased on sliding scale.

New Jersey c.95. Creates actuarial bureau as 4th separate bureau within Department of Banking and Insurance (others are banking, insurance and building and loan).

Oklahoma S.B.331. Creates independent securities commission, formerly

securities division of banking department.

Pennsylvania H.B.1445. Makes it a misdemeanor to falsify a material fact or make fraudulent statements in any manner within the jurisdiction of any department, board, or commission of the Commonwealth.

South Carolina No. 395. Repeals provisions for incorporation, operation and regulation of trust companies with banking powers. (Banks may have trust powers under existing law.)

South Carolina No. 442. Eliminates supervision of credit unions from statutory powers of board of bank control.

South Carolina No. 443. Repeals provisions for organization of banks with paid-in minimum capital stock.

Texas H.B.51. Provides for self-support and independent administration of banking department by authorizing it to retain all funds collected by it and to expend them, subject to approval of State Finance Commission. Provides that all funds now in state treasury previously collected by the department are appropriated to it for its support.

Texas H.B.599. Dispenses with the duties of Secretary of State in regard to perpetual care cemeteries and places them with bank commissioner.

Wisconsin c.97. Increases salary of commissioner and deputy commissioner from \$8,500 and \$6,000 to \$9,000 and \$7,000, respectively.

BANK INSTALMENT LOANS

Alaska H.B.108. Enacts new bank instalment loan law authorizing loans other than on real estate in amounts not exceeding \$3,500 at 6% discount. (Follows Model State Banking Code.)

Arkansas No. 203. Enacts new Instalment Loan Law. Permits \$2,500 loans for 18 months at 5% discount plus service charge of 7% on 1st \$300, 5% on 2nd \$300, 4% on amounts in excess of \$600. Requires pro-rata rebates for prepayment. Limits delinquency charge to 5% of amount in default for 5 days or more.

Florida c.26732. Increases maximum permissible amount of 6% discount bank instalment loans from \$1,500 to \$2,500.

Indiana c.159. Enacts Instalment Loan Act of 1951, applicable to individuals and state and national banks. Provides for 8% discount rate and provides that banking department shall fix prepayment refund rates, delinquency charges and minimum charges for loans.

Missouri S.B.78. Requires those, other than banks, engaged in business of making consumer credit loans under state's new instalment loan law to be registered with and supervised by Commissioner of Finance.

Missouri S.B.79. Enacts new Instalment Loan Law. Prohibits discount. Provides double ceiling on charges on loans under \$400: Lesser of \$15 per \$100 principal to be repaid in 12 equal monthly instalments of principal and interest combined; or 2.218% per month on unpaid principal balances (26.6% per annum). Permits 8% per annum simple interest on that portion

of any loan in excess of \$400. Requires receipts for payments. Prohibits additional charges, except insurance and filing fees. Prohibits false advertising. Requires refunds for prepayment and provides 2 optional formulas for computing amount of refund. Applies to banks, small loan companies, auto finance companies and loan and investment companies.

BANK LAW REVISION

Alaska H.B.107. Completely revises that part of the Alaska Banking Code dealing with organization and regulation of banks without trust powers. More than half of the revised law is taken from the Model State Banking Code.

California c.364. Enacts new Financial Code, assembling in one place all existing laws pertaining to financial institutions, including Banking Code of 1949.

BRANCHES

Alaska H.B.107. Eliminates prohibition against branch banking, but provides that capital be increased \$25,000 for each branch operated.

Colorado c.89. Provides that station operated by bank or its agent for receiving or paying deposits, issuing drafts, travelers' checks, or similar instruments, handling collections, or cashing checks or drafts constitutes a branch within meaning of statute prohibiting branches.

Connecticut No. 140. Provides that with commissioner's approval, commercial bank having \$500,000 capital and surplus may establish not more than 2 in-town branches; that commercial bank having \$250,000 capital and surplus may establish not more than 3 limited power branches in adjoining towns where there is no main office of a state commercial or a national bank, but that if one of such banks is later organized in that town, the limited power branch must cease to operate in 6 months.

New Mexico H.B.33. Changes designation of bank agencies to "branches."

Pennsylvania S.B.242. Permits establishment of in-town branches and limited service agencies in resort areas of county where main office located, or at naval or military establishments, without increasing capital.

Tennessee c.97. Provides that no branch may be established without bank commissioner's approval, but that his disapproval of an application may be reviewed by certiorari.

Utah H.B.93. Permits establishment of branches in 1st class cities.

BULK SALES

Illinois S.B.124. Gives purchaser of goods in bulk 10, instead of 5 days before consummation of sale to notify seller's creditors of proposed purchase.

CAPITAL

Alaska H.B.107. Provides that new banks must have \$50,000 capital and allows existing banks 5 years to increase capital to that amount.

CHattel MORTGAGES

Alaska S.B.33. Provides penalties for selling mortgaged personal property without notice to the purchaser of the encumbrance.

Connecticut No. 187. Permits crop mortgages to be filed instead of recorded.

Illinois H.B.1003. Permits mortgages executed by public utilities to include both real and personal property, and be recorded as real estate mortgages.

Indiana c.239. Provides that encumbrance on both real and personal property recorded in county where property situated shall constitute lien upon personal property to same extent as though filed as a chattel mortgage.

Pennsylvania S.B.819. Provides that chattel mortgages on livestock, poultry, farm machinery and equipment, and crops may be given without an accompanying bond or note; that signatures to mortgages on such property need not be witnessed; and that a mortgagee may after default recover any goods subject to such a chattel mortgage in excess of \$100 from a third person who took title with notice of the mortgage, or if the goods are not in the third person's possession, may recover their value.

Tennessee c.243. Prohibits removal of mortgaged property from state without written consent of holder of mortgage.

West Virginia S.B.233. Permits chattel deeds of trust to be filed instead of recorded.

CHECK CASHERS

California c.256-260. Prohibit false, misleading or deceptive statements, representations or advertising by check cashers and sellers and increase power of bank commissioner in regulating such enterprises under the Check Sellers and Cashers Act.

Illinois H.B.436,437. Extend provisions of Community Currency Exchange Law to "ambulatory" exchanges—e.g., those providing armored car check cashing and money order service at factories, etc. Require licenses and payment of fee for each location served.

New Jersey c.187. Enacts "The Check Cashing Law." Provides for licensing and regulation of check cashers by bank commissioner. Limits size of checks which may be cashed to \$250, prohibits cashing of post dated checks, and requires endorsement of checks with name under which licensee does business, before depositing in any bank. Prohibits licensees from engaging in business of receiving money for transmission. Law does not apply to banks, nor to those cashing checks, drafts or money orders as an incident to the conduct of other lawful business where charge is not more than 10 cents.

CHECKS

Florida c.405. Makes it unlawful to secure farm products from producer by means of check, draft or money order and then to stop payment with intent to defraud. Provides that stopping payment is prima facie evidence of in-

tent to defraud if drawer or his agent inspected produce at or before time of transfer of possession or control.

North Carolina S.B.75. Prohibits any person, firm or corporation from aiding and abetting or soliciting any person, firm or corporation to give worthless checks.

North Dakota S.B.176. Provides that use of a matured check or other order for payment of money, as a means of obtaining any signature, money or property, with knowledge that drawer not entitled to draw for sum specified therein is use of false token within meaning of law defining swindling, even though no representations are made.

COLLECTION

Alaska H.B.107. Authorizes bank to select which items to pay when an account is insufficient to pay all items on hand. (Follows Model State Banking Code.)

CONDITIONAL SALES

California c.342. Provides that dealer selling car on conditional sale must refund to buyer, or credit to his next instalment payment, any amounts realized on any insurance policy assigned to him in connection with the sale, as soon as they are received, but also provides that dealer's failure to comply does not affect validity or enforceability of contract.

Colorado c.81. Enacts Retail Motor Vehicle Instalment Sales Act. Includes banks in definition of "sales finance company" but exempts them from licensing by bank commissioner. Specifies required contents of contracts. Does not regulate rates, other than limiting charge on accounts delinquent more than 10 days to 5% of amount in default or \$5, whichever is lesser. Requires pro-rata refunds for prepayment, computed after deduction of insurance charges and \$15 "acquisition cost." Requires sales finance companies to keep maximum rate charts in current use on file with bank commissioner.

Maine c.199. Provides that a conditional sales agreement shall bind a husband only when he signs it and that any person who permits a wife to sign her husband's name to the agreement without his written authority, when such person is acting as the other party thereto, or as his agent, shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 11 months, or both.

Maine c.361. Enacts Retail Motor Vehicle Instalment Sales Law. Does not regulate charges. Requires all persons, firms or corporations not already supervised by bank commissioner, except national banks, to be licensed by him in order to conduct business of financing time sales on motor vehicles. Law formerly provided for licensing only where principal place of business or home office was in the state. Requires disclosure of terms of sales; including price, down payment, time balance, insurance, finance and all other charges. Permits required information to be in separate statement or in instalment contract, chattel mortgage or other security instrument, copy of

which is given to buyer at time of execution. Prohibits procurement of buyer's signature to contracts or receipts in blank. Provides penalty for violation.

Maryland c.2. Amends retail instalment sales law to provide that instalment sales agreement and certificate of insurance sent to buyer of any motor vehicle shall contain in bold type a definite statement that the insurance does or does not include coverage for personal liability and property damage to others.

Michigan No. 171. Amends Motor Vehicle Sales Finance Act by increasing amount of participation in finance charges which banks and finance companies may pay motor vehicle dealers for assignment of conditional sale contracts. Old maximum "service fees": \$15, plus 2% of principal amount financed where contract exceeded 12 months, but additional fee not to exceed \$1.25 per each month contract exceeded 12 months and maximum fee on any contract not to exceed \$30. New maximum fees: 2% of principal amount on models not more than 1 year old; 3% on other models; plus 1/2 of basic fee for each month contract exceeds 12 months, but does not exceed 24 months. Also makes law applicable to national banks electing to come under its terms.

North Dakota H.B.695. Provides for redemption period after retaking of property under conditional sales contracts.

Texas S.B.201. Provides that disclosure of items of cost which seller has taken into consideration in arriving at time credit price for motor vehicle, furnishing of this information in writing to the purchaser and quotation of cash price, shall not alter concept that difference between cash and credit prices is not interest for forbearance, use or detention of money or credit.

CREDIT INSURANCE

Massachusetts c.138. Provides that casualty and surety rate regulatory law shall apply to credit insurance.

Massachusetts c.404. Provides that the charge for group insurance on borrower's life does not constitute violation of interest limitation on small loans, where creditor pays the charge.

Michigan No. 260. Provides for issuance of group insurance on lives of borrowers from financial institutions; that banks may not act as agents of insurance companies in handling such policies; that interest on loan plus insurance premium may not exceed maximum lawful interest on loan.

Missouri S.B.78. Permits Commissioner of Finance to regulate insurance policies and rates in connection with loans under the state's new instalment loan law.

Oklahoma H.B.175. Authorizes sale of group insurance policies on lives of instalment borrowers, through the lender, in groups of not less than 100 per year, up to \$5,000 per year.

Texas S.B.221. Permits Board of Insurance Commissioners to prescribe and approve application forms for

(CONTINUED ON PAGE 147)

METHODS and IDEAS

News, Views and Practical Banking Aids

This department, edited by JOHN L. COOLEY of BANKING's staff, invites readers to contribute methods and ideas that have been useful in their own banks.

"Cream, But No Sugar"

THE NATIONAL BANK OF CAMBRIDGE, Ohio, effectively dramatized the decline in the dollar's purchasing power during the past 16 years.

At a recent open house celebrating completion of an extensive remodeling and modernization job, the bank set up an exhibit of groceries that demonstrated what a dollar would buy in 1935, in 1945, and in 1951.

It did rather well for the housewife in the earlier year, putting into her market basket a package of beans, a container of oatmeal, a pound of coffee, a can of evaporated milk, five pounds of flour and five of sugar, a can of tomatoes and one of dried beef. By 1945 the sugar, oatmeal and beans had to be left in the store; and this year only the coffee and canned milk had survived the storm.

Executive Vice-president Charles J. Miller arranged the exhibit with the cooperation of a local wholesale grocery firm. The latter, Mr. Miller says, liked the idea of a graphic presentation to point up what had happened to the dollar.

"As you note by the picture," Mr. Miller observes, "they put a touch of humor in their selection of grocery items by reducing the commodities purchased by the 1951 dollar to a pound of coffee and a can of milk—in other words, we can still have a cup of coffee with cream, but no sugar!"



The diminishing groceries exhibit at the National Bank of Cambridge, Ohio

Bank's Party for Teachers Aids School Savings Program

THE MIDDLETOWN (Connecticut) SAVINGS BANK carried its school savings-school relations program a long step forward by giving a party for the teachers.

It took place in a private club in the late afternoon of the day preceding the first school savings collection. There were short talks by three bankers, a social hour, a buffet supper and dancing. One hundred and eighty of the two hundred teachers in Middletown and three neighboring communities attended.

When the bank's president, Howard B. Smith, dropped in to tell BANKING about the party, we asked: "Did they like it?"

"It proved to be a natural," he said. "They loved it—and we did, too. For three years we had been trying to reactivate our school sav-

ings program, but despite all efforts the enthusiasm of some teachers had not been aroused. The party was just what it took. During the social hour, comments we heard convinced us that we had broken down this barrier.

"The outstanding reaction from unsolicited testimonials seemed to be that the party had given the teachers and the bank a better understanding of each other.

"One remarked that she was glad somebody was treating members of her profession like human beings; it had seemed to them that most people believed that there were three sexes in this country: male, female and teachers. A man, apparently mindful of past Christmas presents from the bank, said the party was worth '10 or 15 tie pins.' A principal, who had been our toughest problem, saw the light and came up with excellent suggestions. And a



The teachers had a good time at the Middletown Savings Bank's party

Bank Board Meeting in Service Area Cities

As a means of bringing its directorate closer to local problems, FIRST NATIONAL BANK OF ARIZONA plans to hold its monthly board meetings this winter in the cities served by the bank. The directors, says President Hugh C. Gruwell, believe that the contacts thus established will greatly increase their knowledge of local conditions.

woman guest said: 'I think teachers particularly enjoy being treated as people . . . and we were!'

"Other comments included: 'The social hour gave us an opportunity to relax and talk with friends, many of whom we hadn't seen for some time.' 'The speakers gave us a much clearer understanding of the aims of the school savings program.' 'The entire party was perfectly planned for the end of a busy day at school.'"

Although the affair was arranged by Robert McCarter, head of the bank's school savings department, as a gesture of goodwill toward the teachers who are helping this thrift work along at 19 schools, invitations went to all the faculty members, supervisors and principals of every school in Middletown, Durham, Hadam and Middlefield.

Arriving at 4 P.M., the guests were greeted by girls on the bank's staff. The officers and several directors were there, too, and extended a friendly welcome. After the preliminaries, Millicent Trichler, direc-

tor of school savings at the Dollar Savings Bank, New York City, spoke on "School Savings—a Three-Way-Partnership". Mr. McCarter talked informally on bank operations, mentioning that THE MIDDLETOWN SAVINGS BANK stayed open an extra hour on teachers' pay days to cash their checks, and offering to take care of their Christmas Club accounts and the pupils' milk money.

President Smith pointed out the many opportunities for cooperation between banks and schools.

"We were after something new," he told BANKING, "and I think we found it. At least, everybody—including ourselves—had a good time, and from the results of the first two weeks of post-party banking, we accomplished more than we had anticipated."

Anniversary Idea

THE WESTERN SAVINGS BANK of Buffalo made good use of its name in planning a three-day observance of its centennial.

"The bank celebrated in true western style," reports Vice-president William H. Colestock, "by having a 'western' trio—guitar, bass viol and accordion—play western music each of the three days from 10 A.M. until 5 P.M. in the main lobby.

"As the lines of people formed at the main entrance and passed the musicians, they came to a table where a cowgirl gave away candy money. Next in line were balloons inscribed 'Western Savings Bank—100 Years.' Then visitors received miniature cactus plants flown from Texas. We had anticipated that the 10,000 plants ordered would last three days, but the supply was exhausted before the end of the first day; then we gave away 12,000 roses.

"From the main office and two branches 150,000 balloons were distributed to the children. Fifty thousand 'gold' candy pieces and 700,000 chocolates, wrapped in silver paper, were also distributed.

(CONTINUED ON PAGE 132)

A few of the Louisville public and parochial school teachers who visited the Citizens Fidelity Bank and Trust Company on Business-Industry-Education Day. Pictured with them are four of the bank's officers who took part in the program



This Buffalo bank used several old stage coaches and covered wagons to help promote its 100th anniversary "western style" celebration. Employees wore period costumes while the festivities were in progress



Make Holiday Letters Build Goodwill

WILLIAM H. BUTTERFIELD

MR. BUTTERFIELD, author of *Effective Personal Letters*, *Bank Letters*, and other books on correspondence, is executive director of the University of Illinois Foundation. A number of his articles on letter writing have appeared in recent issues of *BANKING*.

HOLIDAY letters are a "natural" in bank customer relations. They have a seasonal tie-up that makes them appropriate and timely. They offer just the right opportunity for an expression of thanks and good wishes to customers. And finally, coming along at the Christmas season, holiday notes arrive when readers are most likely to be in a responsive mood.

These friendly little messages can do a customer relations job worth many times their cost. They offer you a *direct, personal* contact with each customer to whom you write. They carry an element of surprise that arouses the reader's curiosity as he opens the envelope, assuring his interest in its content. The message inside is sure to build goodwill—if it is well written—by performing a courtesy that the customer has not expected, and by doing it in a way that indicates a personal interest on your part.

Though your holiday letter has the advantages of timeliness and reader interest, its goodwill value depends upon the simple good taste with which it is written. There is included here a list of "A Dozen Points to Remember in Writing Holiday Letters to Bank Customers."

In addition to these 12 essentials, there is another requirement that calls for separate mention and emphasis here. *Avoid the use of an obvious form letter.* Most of the holiday letters used in business carry unmistakable earmarks of a mass mailing. Careless fill-ins, printed signatures, and impersonal salutations (like *Dear Reader*, *Dear Customer*, *Dear Friend*, and even *Dear Sir/or Madam*) kill the effectiveness of any holiday message. Such a letter seems no more personal than a handbill placed in an automobile or an announcement of seasonal greetings printed in a newspaper.

To be effective, your holiday letter must *look* like a personal message. If it cannot be individually typed for each recipient, at least the fill-ins of name, address, and personalized salutation can be neatly inserted in type matching that of the letter body. Expert workmanship also produces a signature reproduction that is hard to distinguish from the pen-and-ink original.

The following selection of holiday letters includes examples appropriate for old customers, as well as examples suitable for new patrons whose accounts are less than one year old.

(CONTINUED ON PAGE 136)

A Dozen Points to Remember in Writing to Bank Customers*

(1) Make your message reasonably brief. Try not to exceed 100 words. (The longest holiday letter among the examples in this article contains 85 words.)

(2) Make your letter warm and friendly, but avoid effusive tone. Don't gush!

(3) Do not philosophize on the meaning of Christmas. Your purpose is to express holiday good wishes and appreciation of patronage, not to interpret the significance of Christmas to the reader.

(4) Write in a simple, easy style that gives your letter a natural tone. Avoid the high-flown language that makes many holiday messages sound artificial.

(5) Be sure your lead paragraph is short. Long, involved openings are a common weakness of holiday letters.

(6) Avoid any suggestion of promotional effort. Such an element is entirely out of place in a holiday letter.

(7) Be sure your letter is mechanically correct. People expect efficiency from banks, even in holiday notes of thanks and good wishes. Avoid misspelled words, typographical errors, and "strikeovers."

(8) Write your letter to *one person*, not to a group. Although the same message may go to a number of customers, pick out a single reader and write to *him*. The personal tone is important.

(9) Don't "crow" about the profitable or successful year that your bank has had. While this is important to you, it is of little or no interest to your reader.

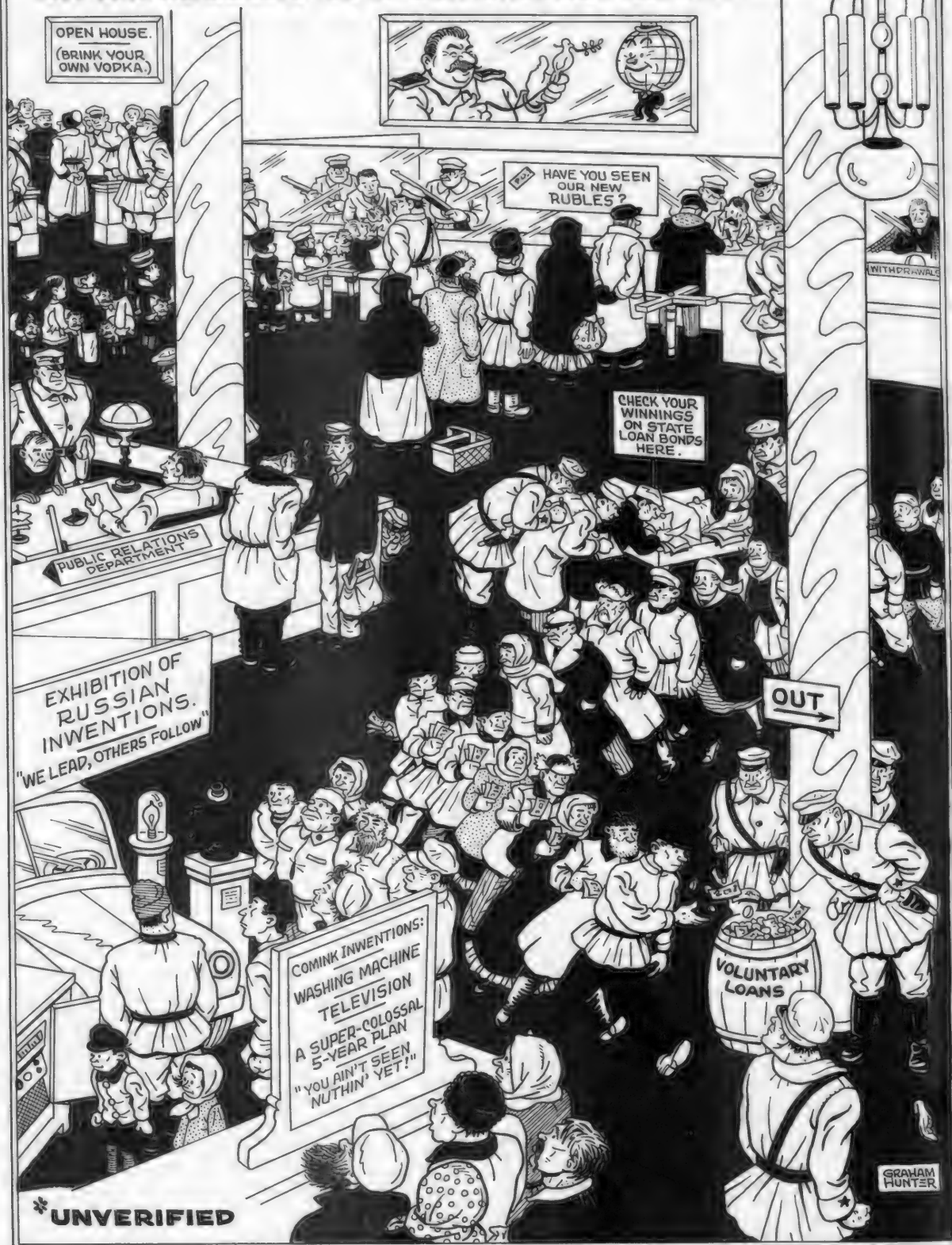
(10) Don't express your good wishes in trite, "canned" language, such as "May I take this opportunity to state . . ." or "I wish to take this occasion to express . . ."

(11) Don't attempt to be humorous or facetious. A flippant tone is not in keeping with either the occasion or the purpose of your letter.

(12) Be enthusiastic! A holiday letter with a perfunctory tone is worse than no letter at all.

*Adapted from *Credit Department Letters*, by William H. Butterfield, by permission of the publishers. (*The Credit World*, St. Louis, Mo.).

AN IMPRESSION* OF A COMMUNIST BANK —



*UNVERIFIED



World Business

HERBERT BRATTER

WASHINGTON
ON the eve of election results almost conceded in advance, disturbed labor leaders unveiled a developing new crisis in Britain's balance of payments. Churchill, anticipating his return to Downing Street, is believed to feel a need to come to Washington for a talk with the President. Mortified over their capitulation to Iran's ire, Britons blame Washington for the results. Either way, we'll pay. Congress finally passed the foreign-aid bill—cut to \$7,483,000,000—and doing so, erased the distinction between "economic" and "military." It decided in the end not to put General Eisenhower on the Eximbank board, but separately voted a \$1-billion expansion for the Bank. France and the franc show unsteadiness. Germany of the West eyes the chances for political comeback. Italy aches with problems. The Low Countries cling to our help, Russia explodes some atoms. The Korean outlook is no better fast.

FROM EAST TO WEST

India's official benevolence toward the Russian cause is being attributed to the long colonial rule. It is only human that a people beset by insoluble problems should seek to place the blame on others. Indian leaders expect economic grants from the Anglo-American world, as a matter of fact. Iran, similarly seething with strident nationalism, likewise looks to the west for economic aid even while kicking out the subdued rearguard of Britain's shrinking dominion. And from the successor

to the ancient Roman empire comes, through Premier DeGasperi, the appeal to us and others to find homes for Italy's surplus and ever-expanding population and to give work to the peninsula's home population. Such are the politico-economic problems constantly before us as "leaders of the world."

...In a speech from the throne Holland's Queen Juliana passes the plate to us in these words: "The contribution that our country is expected [sic] to make within the framework of the military effort of the western world is a great drain on the Treasury... the... plan could hardly be further executed without foreign [U.S.] financial aid." (The word "expected" seems to imply that there is something unfair about it all.)...

OTTAWA, ECONOMIC

On our international economic agenda the biggest and most difficult "item," if we may apply such a demeaning term, is the financing of the NATO defense measures. Ottawa in September saw the unusual gathering of the military, political and finance heads of all the NATO governments—a meeting at which the European delegates intended to lay the groundwork for continuance of U. S. aid beyond the life of the Marshall Plan. Secretary Snyder was there, of course, and, if the press is to be trusted, he cast a jaundiced eye on proposals that the U. S. guarantee to underwrite all western Europe's deficits. Having observed jaundiced eyes on many occasions since VJ-Day, we are keeping our

fingers crossed. An agreement has just been unofficially reported, putting on the U. S. taxpayer 48 percent of the cost of the military installations and air bases Europe is to build. Europe will provide the land and utilities. Local taxes take a good fraction of the cost of the projects; maybe 25 percent, although France says it's only 17 percent. We must pay taxes on the airstrips, roads and barracks we build. If we insist on such big defense steps, European governments think, it is only fair that we should pay what it costs.

"CONTEST OF WILLS"

The Ottawa conference was a "real and useful contest of wills and views" in the view of one of its participants, Chancellor of the Exchequer Gaitskell. One thing at any rate was achieved: naming of a committee representing the 12 NATO countries, to re-examine the national rearmament programs in the light of Supreme Commander Eisenhower's demand for speedy coordination. Also disclosed at Ottawa was Washington's willingness to buy military supplies in Britain and Europe, as in Canada, with dollars—notwithstanding the \$1,661,800,000 of ECA counterpart funds stacked up to our credit abroad. With \$500,000,000 in new money thus earmarked, fear is expressed here that Europe may neglect that part of the arms program which isn't dollar-financed. On the committee of 12 our representative is soft-spoken almost timid-seeming W. Averell Harriman,

(CONTINUED ON PAGE 138)



WIDE WORLD

In the last few weeks the taxpayer's attention has been focused more on committee room sessions than on the traditional meeting place of his representatives

Deficit—FDIC—Bank Mergers

LAWRENCE STAFFORD

ADMINISTRATION officials are coming around to admit that the day is being postponed when defense spending and defense production can be expected to reach its peak and level off.

As has been related in previous issues of *BANKING*, the decision to require a greater total production and a heavier Treasury outlay for a larger defense and foreign aid military program postpones from "late 1952 or early 1953" the previous schedule for reaching top production—and the beginning of a decline.

Mr. Wilson made a slight change in that direction. He said the peak would not be "by 1953," as he previously had said, but "in 1953." Other officials privately refuse to set a time when they personally expect the peak will be reached. That day, they say, is in the indefinite future.

While a rising defense and military aid program indicates the pos-

sibility of very large deficits for fiscal 1953 and later years, it appears to some informed observers that the current year deficit may not exceed \$6-billion.

It now appears probable that total Federal expenditures will run about \$70-billion for this year, compared with \$68.4-billion, the last official estimate of the Budget Bureau.

While Treasury Secretary Snyder estimated the current year's receipts at \$58.4-billion exclusive of the return from a new tax bill, at least two other informed quarters believe they will be nearer \$61-billion. Some \$3-billion additional is expected to be paid into the Treasury before June 30—or during this fiscal year—under the new tax bill. This would provide for aggregate revenues for the year of \$64-billion, \$6-billion less than expenditures.

Of this \$6-billion, it is possible that only \$2-billion over the fiscal year as a whole will consist of a

cash deficit, since there will be an excess, it is said, of some \$4-billion of cash receipts over expenditures for trust funds. The Treasury does not have such an optimistic view.

Furthermore, the confused status of the new tax bill at the time of going to press—a bill generally conceded to be unsatisfactory—makes deficit guesses impossible at this time.

Snyder Opposes Expanded Foreign Aid

After a meeting of the North Atlantic Treaty Council in Ottawa, Secretary Snyder made it clear that the United States Government set its foot down against any increase in foreign economic or foreign aid at the present time. Congress appropriated approximately \$7.5-billion for these purposes, \$1-billion less than the amount recommended by the President.*

Despite the Treasury Secretary's

position, however, it appeared that the NATO allies of the U. S. still want a larger total of U. S. aid. It was also clear that many influential elements with the Truman Administration were sympathetic to the requests of foreign governments.

Hence the figure of \$7.5-billion, even if perhaps secure for the present fiscal year, is potentially subject to change. Should world conditions later develop which arouse public sympathy for the plight of the nation's European allies, it may be expected that there will be a strong demand put forward at that time for an upward revision in the funds allotted for foreign aid.

Economy Fizzles

Technically economy in appropriations might be considered to have been the moderate success expected. Congress did originally "save" \$3-billion by cutting Presidential appropriation requests by this much. Congress, however, turned around and made a net increase in military appropriations and authorizations by almost as much as it had previously "saved." Technically some economy was achieved because the larger military allowances will be spent only in small part during this current fiscal year. Most of them will be spent in fiscal '53 and later years.

Practically, however, economy was a fizzle in this session of Congress.

Congress Checks Into FDIC

The extent to which the Senate Banking subcommittee having jurisdiction over FDIC affairs took an interest last month in various aspects of the agency's operations came as a surprise. Early in September the subcommittee held a hearing on the renominations of Chairman Maple T. Harl and member H. Earl Cook for one day, and it was indicated at that time that their renominations for 6-year terms would be recommended to the full committee in due course.

At that time the subcommittee discussed the complaint against the FDIC policy of requiring that every bank which submitted a new application for deposit insurance should agree to undertake that at all times in the future it would maintain its capital ratio at a level equal to the national capital ratio of all insured banks.

The subcommittee, however, de-

layed action for a few weeks. Then at a further hearing in which Maurice R. Sparling, Superintendent of Banks of California, was the principal witness, heard discussion of this subject a second time.

Mr. Sparling asserted that bank supervisors had an agreement with Federal supervisory officials that the latter would not initiate policy or legislation affecting state banks or state supervisors without consulting the representatives of the state officials beforehand.

Mr. Sparling said that the capital ratios policy had been adopted without consulting the executive committee of the National Association of State Supervisors.

The California supervisor also declared that FDIC had adopted a further policy of requiring directors of banks examined by the FDIC to meet to receive the examiner's report. Mr. Sparling opposed both those policies.

He reported, however, that after consultation with Mr. Cook FDIC agreed to suspend these two policies until an agreement about them had been reached.

While Chairman Burnet R. Maybank (D., S. Car.) of the full Banking Committee declared he was "sick and tired" of "bureaucrats" making policy when they had no law, the committee appeared to be satisfied with the status of these two

issues—capital ratios and post-examination meetings of directors. That is, the committee appeared satisfied with the agreement reported by Mr. Sparling that the two policies would be suspended until the supervisors could work out a further agreement with FDIC.

Question Merger Policy

Subsequently, Senator J. William Fulbright (D., Ark.), a member of the Banking Committee but not of this particular subcommittee, questioned FDIC's current practice of always merging a failing bank with a strong one rather than liquidating the institution, as a means of discharging FDIC's deposit insurance liability.

Mr. Harl contended that the merger procedure was the cheapest procedure. Liquidations, he told the subcommittee, were costly and long-drawn out. He asserted that the depositors came out with substantially less than under the merger method. The latter, he further observed, had the advantage of providing continuity of banking service and therefore was a community boon as well as a benefit to bank depositors. He further declared that "closings are contagious," often being followed by other closings.

Senator Fulbright said that he was not altogether sure that mergers

(CONTINUED ON PAGE 144)

Have you seen . . .

(1) A discussion of trends in savings, *Saving in the Defense Economy*, a reprint from the *Federal Reserve Bulletin* for September 1951. Write to the Board of Governors, Federal Reserve System, Washington 25, D. C., for a copy.

(2) Testimony and discussion of the feasibility of bank mergers versus liquidation by the FDIC, and other FDIC matters at issue. Write to the Senate Banking and Currency Committee, U. S. Senate, Washington, D. C., for printed copies of the hearings on the nominations of H. Earl Cook and Maple T. Harl.

(3) Forms upon which you may apply for relief from OPS ceilings on your bank service charges. Write to the nearest District Office, Office of Price Stabilization.

(4) A discussion of the progress of the defense production program, with many detailed data regarding each industry. Write to the Director of Defense Mobilization, Washington 25, D. C., and ask for a copy of *Three Keys to Strength*, the same being the 3rd quarterly report of the Director of Defense Mobilization.

(5) The recommendations of the National Voluntary Credit Restraint Committee for changes on the recommendations respecting loans on real estate to conform to modifications of the Defense Production Act. Write to the National Voluntary Credit Restraint Committee, Board of Governors of the Federal Reserve System, Washington 25, D. C., for *Bulletin No. 4 (Revised), Loans on Real Estate*.

The Valley of the Giants

A Panorama of the Pacific Northwest

MARSHALL N. DANA

MARSHALL N. DANA was for many years editor of the editorial page of the Oregon Journal, Portland. He was the first president of the National Reclamation Association, serving four terms beginning in 1932. In the early 1930's he was regional advisor for the Administration's recovery program in the four Pacific Northwest states—Montana, Idaho, Washington, and Oregon. He joined the staff of the United States National Bank, Portland, as assistant to the president last January 2.

This is the first article in BANKING'S new "American Empire" series.

THE New York plane on Portland-International's new 9,000-foot runway was just about ready to take off. A man literally hurled himself through the gate and rushed for the gangway.

"I thought I'd never get away," he sputtered. I'm from Chicago and I'm used to big things, but this banker friend of mine in Portland—wow!"

"What was he trying to do? Persuade you to take an unsecured loan at 3 percent?" asked the slightly amused Seattleite who had the window seat.

"Nothing that funny," admitted the Chicagoan. "He told me they're thinking of putting up big neon signs at all the entrances to what he called the 'Oregon Country.' The signs would read:

"THE NEW HOME OF OPPORTUNITY IS THE PACIFIC NORTHWEST."

By this time the big plane was airborne. The Columbia far below was a shining, convolute floor, and rising above the river were mile-high mountain walls patterned with the lacy white of waterfalls. The snow peaks, Hood and Adams, stood

on either side. Other glacier-girt summits from Rainier on the north to Jefferson on the south were a serried, crystal line of magnificence.

The passenger from Seattle had turned to look through the window at a vast picture that seemed newer and more enthralling, having been seen many times before. The urgent voice of the Chicagoan called him abruptly back from the mesmerism of the view.


"I tell you, this was a banker talking to me about those signs. He said if they could—and it didn't seem so much more wonderful than rainmaking up in the Palouse wheat country of eastern Washington—they'd hang the biggest of the signs so as to put the words on the arch of the rainbow. Some kind of permanent sky-writing, I suppose.

"What are you going to do with all the new people?" I ask him. He had said that in the last census the Pacific Northwest showed among the biggest percentage population gains in the country. For instance, Oregon 38.6 percent, to 1,510,148; Washington 36 percent, to 2,361,261. Do you know what he told me? 'Why,' says he, cool as a cucumber, 'we're creating a couple of new states to put 'em in!' Now what do you suppose he meant by that?"

"I think I can tell you," offered the passenger from Seattle. "You see, I live here, too. What he meant was that the million-acre Columbia Basin development and the Willamette Valley project calling for the intensified production of another million acres will have the effect of adding to the United States two more states in population, wealth, and bankable resources."

The Fourth Push

The plane droned its way toward its first stop at Denver, across a space in which the horizons would have been limitless had it not been for the rising ridge of the Rockies. The pattern of ranges and rivers



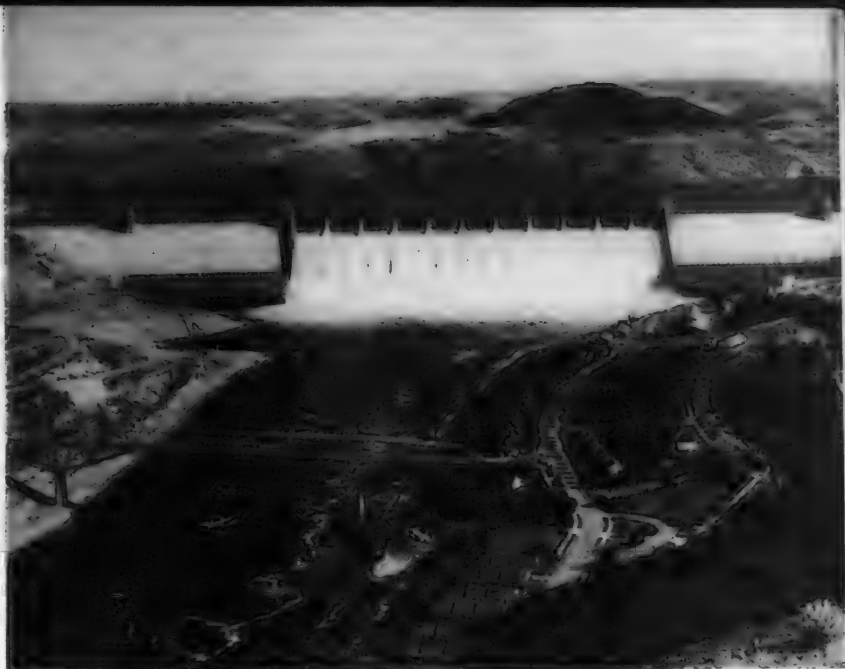
Bonneville Dam in the majestic Columbia River Gorge; in the background is Mt. Hood, 11,258 feet

revealed to both travelers the first reason for the exceptionally rapid growth of the Pacific Northwest. The Columbia River system, obedient to the axiom that mountains divide but rivers unite people, makes of the Pacific Northwest an economic unit. What is going on now is the fourth (and greatest) period of growth. A century ago came the mountain men, rifle in the crook of the arm, skinning knife at the belt, gold pan in hand—looking for furs and precious metal. Then, rolling over the plains, fording rivers, and rumbling through mountain passes, came the covered wagon with plow strapped to the side, cow following, and the woman riding the seat behind the ox team—the heira that was to establish Pacific Northwest homes.

Along about this period some picturesque names marked the Oregon country—the martyrs, Marcus and Narcissa Whitman; the Hudson's Bay factor and ruler in an empire of furs, Dr. John McLoughlin; the explorers Bonneville and Fremont; the soldiers Sheridan and Grant; and the poet Edwin Markham, who set a pattern for neighbors:

*"He drew a circle that kept me out—
Heretic, rebel, a thing to flout.
But love and I had the wit to win;
We drew a circle that took him in."*

Never to be forgotten were the voyageurs—the first navigators of the Columbia—and the river men who followed, daring the rapids with steam and paddle wheel. And some thought the last great stride had



Power in the desert—Grand Coulee Dam

been made when the railroads reached across the continent to the Pacific and opened avenues of travel that brought millions to all of the West. But these counted without the march of progress and science, for the final and greatest growth is to be seen in the development of power and manufacture.

And the incredible atom.

There's plenty of room. The Columbia River system, with Puget Sound and including all of the states of Oregon, Washington, and Idaho, Western Montana, and bits of Wyoming, Utah, and Nevada, covers

about 9 percent of the area of the United States but contains even yet only about 3¼ percent of the population.

Dividends from Depression

Paradoxically enough, it was in discouragement and defeat that the present growth began. Projects of recovery from the depression of the early 1930's included Bonneville and Grand Coulee Dams and big land reclamation enterprises such as the Columbia Basin. World War II was another ill wind that blew the Pacific Northwest good. With cheap and abundant power, Henry Kaiser could set up shipyards that built a billion dollars' worth of vessels. The aluminum industry got a start toward its present production of somewhat more than half the nation's needs. In Seattle, the airplane industry grew to international proportions. People came to build ships and planes, and stayed to build homes. Power attracted more industry, and you may be sure that zealous chambers of commerce made the attractions well known.

The Pacific Northwest traditionally had exported its raw materials—lumber, grain, ore—for dollars to buy automobiles, refrigerators, and private planes. It still is a mighty good customer for all of these, and farm machinery, too, but it is doing conspicuously well in light metals, the weaving of its woollens, the man-

Irrigation assures lettuce heads by the wholesale



ufacturing of its woods, and the establishment of electro-chemical industry. It might be called the "Valley of the Giants," this great Columbia Basin with the Puget Sound area at its northwest corner—the giants of power, of forests, and of land.

And there is another of almost equal stature—the tourist industry. They are taking close to half a billion dollars from tourists who visit the Pacific Northwest states and British Columbia. Since scenery doesn't diminish by looking at it, it is the one sure formula for eating your cake and having it, too.

The region has two "greatests"—these are power and the forests. Each of these represents the greatest resource of its kind in the nation. Pacific Northwest forests total 700- or 800-billion feet, board measure. The power potential is 32,000,000 kilowatts. This also is a national "first." There is a present power supply from public and private plants of nearly 4,000,000 kilowatts. Power under construction will add 3,000,000 kilowatts more, and that which is authorized 5,000,000 kilowatts of installed capacity. Bonneville Power Administration has a time schedule which brings in, during 1952:

Hungry Horse Dam, with 300,000 kw and 3,000,000 acre-feet of storage.

Albeni Falls, which will add 100,000 kw to Grand Coulee and Bonneville and 1,000,000 acre-feet of storage.

Tree farm on the White River watershed, Washington, shows staggered settings of even-age forests

ART FORDS & FRED CARTER



Many industries of the Pacific Northwest began with the aid of bank loans. One example is the Carnation Company, which started with a loan to its founder in 1899 to set up a milk condensery in Kent, Washington. Another bank loan of \$500 put the Manning brothers in the restaurant business. Then, in 1907, the brothers themselves served behind the counter. Today Manning's, Inc., is the largest coffee and restaurant chain on the West Coast.

Cabinet Gorge (Washington Water Power), with 230,000 kw.
Yale (Pacific Power & Light), with 120,000 kw.

During 1953—

McNary—Two units totaling 140,000 kw (ultimately, in 1955-56, 14 units totaling 980,000 kw.).

Detroit on the North Santiam (a branch of the Willamette), with 100,000 kw.

Set for 1955—

Chief Joseph—Four units totaling 256,000 kw. (ultimate development in 1959 of 1,152,000 kw.).

Ice Harbor—Two units totaling 130,000 kw (ultimate development 260,000 kw).

In 1956—

The Dalles—Two units, with 140,000 kw (ultimate development of 980,000 kw).

Last, and most controversial, there is Hell's Canyon Dam on the Snake River (the deepest gorge of the American continent). Two units of 200,000 kilowatts are in the Federal

program for completion in 1956, and by 1958 a total of 800,000 kilowatts. This dam, which is being strenuously fought by the private utilities and by many private citizens, is expected also to store 4,000,000 acre-feet, which would add greatly to the firm power of the big dams below.

"More power to you" is the dynamic impulse that stirs the Pacific Northwest into giant strides. Bonneville and Grand Coulee are already the nation's greatest power plants. Pumped water is beginning to flow out of the 150-mile pool that reaches from Grand Coulee Dam to the Canadian border. Up from the depths of the green, cold lake rise 12 pipes which are to convey water to the ancient glacier-scoured channel of the Columbia and thence to the million acres of the Columbia Basin project, and one of these pipes, carrying a billion gallons of water in 24 hours, would supply the needs of New York City.

Riproarious River

The Willamette Valley is the other big land development under way. Three dams, out of 21 to be built, have already reduced by 20 percent the annual floods of that uproarious stream. These have saved flood damage of more than \$1,000,000 a year, and when all are built the floods will be 80 percent reduced and flood damage of \$7,000,000 to \$8,000,000 a year eliminated. And there will be supplemental irrigation for at least half a million acres of land.

The big blocks of Columbia Basin and Willamette Valley land are not the only extensions. To 18,000,000 acres of crop land presently cultivated can be added, by irrigation, some 5,000,000 acres more. This will scarcely compare with the solid agricultural blocks of states like Iowa and Illinois, yet the water supply is noteworthy. In the 259,000 square

(CONTINUED ON PAGE 150)

GOVERNMENT BONDS

MURRAY OLYPHANT

Market Goes Into Reverse

DURING September the market for Government securities went into reverse after the forward progress of the previous month. Except for minor recoveries on two or three days, daily quotations were at steadily lower levels and at the end of the month were marked down quite sharply.

For the month the bank $2\frac{1}{2}$ s 9/15/72/67 at 99-12/13 were off 1-4/32 from the August 31 level. The $2\frac{1}{4}$ s 59/56 lost 31/32. The closely held partially tax free issues held more firmly, but the $2\frac{3}{4}$ s 59/56 and 65/60 were down 10/32 and 14/32, respectively. The bank restricted bonds showed somewhat greater declines. The $2\frac{1}{4}$ s 6/15/62/59—which will be eligible for commercial bank purchase on June 15, 1952, at 97-26/32—were down 1-12/32. The earliest eligible bond—the $2\frac{1}{2}$ s 6/15/72/67 which had sold at 100-9/32 on August 31—were quoted at 99-2/32, off 1-7/32, while the Victory $2\frac{1}{2}$ s at 97-16/32 had dropped 1-13/32.

The month was characterized by tight money conditions. Bank loans continued to rise. No bank funds were available for the purchase of the bank eligible issues. Apparently the investment funds which were said to have been responsible for August absorption of the restricted issues either stood on the side lines to see how low the market would go, or became interested in the newer corporate bond offerings. While savings bank deposits continued to rise, mortgage commitments still were high enough to prevent any further increase in the longer Government bonds. Moreover, at the end of the month the near certainty that Congress would subject savings bank earnings to corporate income taxation was a disturbing factor.

With business continuing at a high level, corporate capital requirements newly estimated as greater than expected, loans showing a fully seasonal increase, and the Treasury in the market for new funds to meet a third quarter cash deficit, any bullish factors for the bond market were difficult to discern as the month closed.

More New Money from Treasury Bills

After discontinuing the offer of extra bills for three weeks, the Treasury got \$600,000,000 in the first three weeks of September by adding \$200,000,000 each week to the weekly maturities of \$1-billion. The average rate at which these sales were made was 1.646 percent, 1.644 percent and 1.647 percent, respectively. Thereafter, the extra sales were discontinued. In the week following

the final sale on September 24 there was considerable evidence that the bill market was becoming glutted. Dealers had difficulty in clearing their shelves and contrary to the experience up to that time, the bid at the week end—at about 1.68 percent—threatened a higher rate for the next offering. This may have been a factor in the Treasury decision to confine the bill offering to the amount of the maturity.

A contributing and possibly more determining reason for rolling over the bill maturities was the very high tax payments which flowed into the general fund of the Treasury after the middle of the month, and which altered the budget figures from a deficit for the month on September 17 of \$1,020,000,000 to a surplus of over \$1,330,000,000 on the 27th, and increased the balance in the general fund from the low point on September 12 of \$3,715,000,000 to not far from \$6,900,000,000 on September 27. Month-end changes may reduce the surplus below \$1-billion, but the working balance will remain high enough to care for a substantial deficit for October.

By the end of October or early November some new financing for cash is expected as cash requirements from July 1 to December 31 have been estimated as between \$3-billion to \$5-billion.

Tax Anticipation Financing Expected

During September opinion became very general that new cash financing would be in anticipation of the very heavy tax receipts expected by the Treasury in the first half of 1952. Not only does the current high business volume assure taxable corporate earnings at new high levels, but the tax rates have been increased and larger proportionate payments must be made earlier. In spite of the increasing rate of defense expenditures, it seems safe to predict that the first quarter of 1952 will swell the balance in the general fund of the Treasury enough to permit the retirement of a large part of whatever is borrowed between now and the end of the year.

For this reason maturities for new issues of about March 15 and June 15 seem probable. These might be certificates with possible rates of $1\frac{3}{4}$ percent for the former date and $1\frac{7}{8}$ percent for the latter. It would be possible to offer discount obligations for these periods. Whatever is offered is likely to be restricted in amount for commercial banks and unrestricted for all others. Every effort will certainly be made by the Treasury to place the issues outside of the banking system, with what success is problematical.

As Per Schedule

Treasury refinancing of the nearly \$13,900,000,000 of maturities from September 15 to November 1 was handled by the issuance of 1 7/8 percent certificates with maturities of slightly less than one year. Only \$583,000,000 of the holders of the \$755,000,000 3 percent bonds maturing on September 15 took the new certificates, but this was due to the widespread ownership of the bonds and the large amount which had been fully registered. Actually by September 26 less than \$80,000,000 of the \$172,000,000 unexchanged bonds had been presented for payment.

In the case of the \$1,918,000,000 1 1/4 percent notes due October 1, all but 5 percent of the holders accepted the new 1 7/8 percent certificates. So large a part of the two large note maturities on October 15 and November 1 were owned by the Federal Reserve banks—probably 70 percent—and so careful was the Open Market Committee to maintain a small premium for the new issues that acceptance of the exchange by at least 95 percent of the remaining holders was fully expected. (The figures are not available as this is written.)

Except Treasury bills nothing remains to be refinanced in 1951 except for the \$1,118,000,000 2 1/4 percent bonds which have been called for payment on December 15 and nothing thereafter until March 15, so conjecture as to what the Treasury will or will not do gets a vacation for quite a while.

Open Market Committee Gets Busy

After an 11-week period, during which the open market committee made only minor changes in the Federal Reserve portfolio of Government securities, all being purely money market transactions, the pressure of tight money over the month-end forced heavier purchases. In the week ending September 26, the total rose \$399,000,000 to \$23,470,000,000. Twice before the total has been above \$24-billion. With the prospective deficit financing and the lack of available investment funds in the hands of other than the banking system, it would not be impossible for the total to again reach the previous highs.

The prompt action of the Open Market Committee was interpreted as evidence that agreement had been reached between the Treasury and the Open Market Committee that the short-term interest rate would be stabilized at about the present level.

Who Bought and Sold Governments from April 1 to June 30

With the publication by the Treasury Department of its *Survey of the Ownership of the Government Debt as of June 30*, it is now possible to see what the classes of owners of Government securities did during the second quarter of this year. This was the quarter which saw the low of prices for Government issues and involved continued, although moderate, "cushioning" market purchases by the open market committee, these purchases tapering off as the quarter ended and not since renewed. The quarter also witnessed the disappearance of apprehension that the market might be completely disorganized, which had accompanied the decline of Government issues below par during March and the apparent end of scared selling. In the quarter the monetary figures continued to lack inflationary factors.

By comparing the ownership schedules as of March 31 and June 30, it is possible to get a broad view of just what action was taken by the various categories of owners during the period. The Treasury divides the owners into six categories: (1) Commercial banks; (2) mutual savings banks; (3) life insurance companies; (4) fire, casualty, and marine insurance companies; (5) U. S. Government investment accounts and the Federal Reserve banks; and (6) all other investors. The last is a catchall account including all pension and retirement funds, trust accounts, charitable funds, state funds, etc., as well as individuals and partnerships.

Of these categories of owners, four added to and two decreased their holdings of Government issues in the three months. This is a summary of the changes in the total amounts held by each group:

Commercial banks	+ \$647-million
Mutual savings banks	- \$248-million
Life insurance co's.	- \$855-million
Other investment co's.	+ \$ 57-million
U. S. Govt. a/cs & Fed. Res.	+ \$105-million
All others	+ \$156-million

So, about \$1,100,000,000 of Government securities disposed of by life insurance companies and mutual savings banks were picked up by the commercial banks, other insurance companies, Government accounts and the "Fed" and "all other investors," commercial banks doing most of the job. The Federal Reserve and the Treasury accounts were not called on to do very much, while "all others" took \$156,000,000.

The above figures are just totals for all the security classifications. What the different categories did with their portfolios in the various types of issues is indicated in the following tables:

	Commercial Banks	Mutual Savgs. Banks	Life Ins. Co's
Treas. bills	+\$1,170-Mil.	- \$ 25-Mil.	+\$130-Mil.
Treas. notes & ctf's.	+ 782 "	- 105 "	- 281 "
Eligible bonds	- 1,240 "	- 118 "	- 704 "
Ineligible bonds	- 65 "		
Total	+\$ 647-Mil.	-\$248-Mil.	-\$855-Mil.

	Other Ins. Co's	U. S. Govt. & Fed.	All Others
Treas. bills	+\$62-Mil.	-\$1,193-Mil.	-\$ 69-Mil.
Treas. notes & ctf's.	+ 36 "	+ 650 "	- 13 "
Eligible bonds	- 31 "	+ 52 "	+ 84 "
Ineligible bonds (A)	+ 31 "	+ 700 "	+ 154 "
Total	+\$57-Mil.	+\$ 105-Mil.	+\$156-Mil.

Note A—June 30 holdings of the nonmarketable 2 1/2 percent bonds received in exchange for the 2 1/2 percent bonds 1972/67 1980/75 have been included in this category.

Two main shifts are apparent from these figures: (1) The total holdings of bonds (eligible and ineligible) of commercial banks, life insurance and other insurance companies, and mutual savings banks were down about \$2 1/2-billion while the U. S. Government investments accounts and the Federal Reserve banks together with "all others" added about \$880,000,000 to their bond holdings. The difference of about \$1,600,000,000 between the declines and increases is largely due to the retirement on June 15 of about that amount of 2 1/2 percent bonds. Commercial banks—after losing \$1,319-million of the 2 3/4 percent bonds by retirement—actually added about \$79,000,000 to their holdings of other bond issues. (2) The total holdings of bills, Certifi-

(CONTINUED ON PAGE 137)



the FAMILY DOLLAR

BANKING'S FINANCE FORUM

Experts Discuss the Day's Home Circle Problems

REAL ESTATE

What effect will the Controlled Materials Plan have on my building a new home?



Answered by
MILES L. COLEMAN, building adviser, House Beautiful; consultant to the Twentieth Century-Fund.

THE Controlled Materials Plan limits the amount of critical materials—steel, copper, and aluminum—that you may use.

The limitation orders are exceedingly complicated. First, a distinction is made between what are termed "A" and "B" products. The "A" products are the basic materials used by a builder in the form which they come from a mill, such as nails, reinforcing bars, sheet metal, pipe, wire. The "B" products include all types of manufactured items from weather strips and downspouts to ranges and refrigerators.

The owner or builder is directly limited as to the amount of "A" products he may obtain without special permit: No aluminum at all; and either 1,800 pounds of steel in com-

bination with 35 pounds of copper, or 1,450 pounds of steel with 160 pounds of copper; structural steel is prohibited. These allowances should be sufficient for a compactly designed three-bedroom house with laundry, kitchen, and two bathrooms. They will prove inadequate for rambling designs with more elaborate or widely spaced facilities.

In case you find that the designated allowances are insufficient, either reduce the size of the house or temporarily omit piping for the extra bathroom or leave a room without wiring or pipe for heating. Don't bother to ask for a permit to purchase more than the allowable amounts. You won't get it except under circumstances more unusual than I can think of.

The use of some "B" products is banned outright—for example, gutters and downspouts of copper, and a number of others with which your architect or builder should be familiar. Otherwise "B" products are limited only by a general reduction in the amount of critical materials made available to manufacturers. Except for the items that are specifically banned, owners and builders may buy and use "B" products to the extent they may be found in the market. While present inventories

last, most of these items can be obtained without great difficulty. Later on they may be more difficult to obtain than the basic "A" products. If you are planning to build, therefore, it is important to make arrangements for getting your equipment and other manufactured items before you start construction.

Note that the present limitations apply only to the amounts of three critical materials. There is no direct limitation on the size or price of the house or on the use of non-controlled materials. Non-controlled materials include cast iron pipe, radiators, and plumbing fixtures, as well as lumber, mason materials, gypsum products, glass, stone, asphalt, plastics, etc.

ESTATES

I am a widow with an estate of \$15,000. My only heir is my son. Should I make a will?



Answered by
GILBERT T. STEPHENSON, retired Director of Trust Research, The Graduate School of Banking.

YES. If your son still is a minor, you should make a will (1) to name

an executor to settle your estate and (2) to name a trustee to manage your estate for your son until he will come of age. If you do not make a will and name an executor and a trustee, the court will appoint an administrator to settle your estate and a guardian to manage your estate until your son will be of age.

If your son already is of age and is mentally and physically competent, you still should make a will (1) to name an executor and (2) possibly to save some expense. If he is engaged in some business or profession and has had little or no experience with estate problems, you may save him trouble and expense by naming someone else executor. If you do make a will and name him, you may save the expense of a surety on his bond. If you do not make a will, even though the court appoints your son administrator of your estate, in most states the court would be under a duty to require him to offer a surety on his administrator's bond. The amount of this bond probably would be twice the estimated value of the personal property in your estate.

Since your estate is comparatively small and since your only son is your heir, there is all the more reason why you should make a will and say just how you want your estate handled for your son and whom you want to settle your estate.

PERSONAL FINANCES

Is the interest rate on savings accounts set by law, or can I get more interest by shopping around?



Answered by
MABEL F. THOMPSON, assistant secretary, *Union Dime Savings Bank, New York, N. Y.*

THE rate of interest—or dividend—paid by savings banks is not set by law. However, certain restrictions may be imposed as, for example, the ruling of the banking board in New York State that no bank may pay interest in excess of 2 percent per year.

With a mutual savings bank, the interest rate is determined each period by the trustees of each bank in accordance with the bank's earnings.

There have been times when it was possible to get more interest by shopping around. A survey made several years ago found that deposits tend to go to institutions paying the highest rate of interest, although other factors such as convenience and knowledge of a particular bank and its services affect the flow of savings.

Currently there is not too much variation in the interest rate paid by savings banks in the same community. A few mutual savings banks in the country, however, are paying a slightly higher rate than that paid by the majority.

There is considerable variation in methods of computing interest and where large sums are involved there would be some advantage in depositing in a bank where interest starts at once.

INVESTMENTS

I have \$5,000 to invest. Where can I go for advice on what stock to buy?



Answered by
JAMES W. WOOSTER, JR., financial associate, *The Commonwealth Fund, New York, N. Y.*

THIS question presupposes that stocks are a proper and desirable medium of investment for this person.

In actual practice this may not be true. Depending upon age, responsibility and other circumstances of the individual it may be that bonds, a mortgage, a savings account or paid-up insurance should have a prior claim against this \$5,000 which is available.

In the event that stocks are, however, a proper investment for this person, there are a number of possible sources for advice and guidance. Free and unsolicited advice in the case of investments, as well as in most other matters, is generally valueless and often dangerous. However, a person with \$5,000 to invest is obviously not in a position to pay a substantial fee for obtaining sound professional advice.

The first person to whom a small investor should turn is his banker. The banker has a valid reason for interest in the well-being of his cus-

tomers. If the question posed is not too complicated or involved, the banker should be able to answer it himself.

If the question involves some technical ramifications most bankers can and will call upon sources of information readily available to their bank for the benefit of a good customer.

If the local banker is unwilling or unable to answer satisfactorily this question as to the investment of \$5,000, another source for guidance is available to most people through member firms of the New York Stock Exchange.

All good-sized American cities and many smaller communities have branch offices of Stock Exchange member firms. Most of them maintain well staffed research departments which study all available sources of information and advice on investment problems. It is true that a degree of self-interest enters into the situation in that the broker's livelihood depends upon the development of business. More and more brokers are coming to realize, however, that in the long run their success is dependent upon their customers' welfare and upon the extent to which they can assist their customers in successfully investing. In selecting a broker the prospective customer should be guided by the same criteria that he would use in establishing any professional contact, such as in the law or in medicine.

The character and the integrity of the broker are the really important considerations.

Investors, even small investors, can do much by self-education to help themselves in understanding their own specific problems and objectives. There is a wealth of reading matter available in this field, ranging from textbooks to current newspaper articles. Investing money, even in small amounts, or perhaps especially in small amounts, is not an easy job and no one without training can expect to be an expert in 10 easy lessons.

However, anyone who has worked and saved hard enough to have accumulated \$5,000 should be willing to give serious thought and effort to ways and means of protecting the fruits of his labor.

His local banker should be his first and foremost source of help and guidance.

INSURANCE

What is the difference between "income" and "annuity" as related to life insurance?



Answered by
MARION STEVENS EBERLY,
director, Women's Division,
Institute of Life Insurance, New York, N. Y.

WHEN life insurance people talk of "income," they refer to the various arrangements that may be made for the payment of life insurance proceeds in instalments rather than in a single sum. Such monthly income arrangements are available for payments to the beneficiary following death of the owner; they are also available to the policyholder who decides to give up his policy and take its cash value for his own needs. Many policyholders, for example, use the cash values in some of their policies, upon their retirement, to provide themselves retirement income; the children being grown and the father's need to protect them having lessened, he maintains only sufficient life insurance to protect his wife.

The income plans are extremely flexible, giving a wide range of choice whether used by the owner himself or by the beneficiary. If during his lifetime the owner of a life insurance policy makes no such choice, then the beneficiary can do so. Payment can be arranged at so much a month until the money and the interest it earns are used up; or instalments can be scheduled over a certain number of years, with the amount of each instalment determined by their number. Still a third alternative is to use the proceeds to provide a guaranteed life income; this is in effect an annuity, except that it stems directly from an option in the life insurance policy rather than from a separate contract.

An "annuity," on the other hand, refers to a specific form of contract which provides a guaranteed income, starting either immediately or at some future date. The contract can guarantee income for a specified number of years only but by almost universal practice an annuity guarantees an income *for life*. Although

sold by life insurance companies an annuity is quite different from life insurance both in principle and purpose. Its aim is to provide an income which one cannot outlive whereas the purpose of life insurance is to protect the family or other dependents against the risk of the premature death of the breadwinner.

TAXES

I'm not quite sure what is meant by "the power of appointment" under Section 811F of the Internal Revenue Act as it applies to Federal estate taxes, and under Section 100C as applied to Federal gift taxes. Please explain.



Answered by
J. K. LASSER,
tax expert and
author of popular
books on
taxes.

HERE is a typical power of appointment: John Jones receives a few thousand dollars a year from a trust fund set up many years ago by his grandfather. The income will continue as long as John Jones lives. At his death, the trust is to end and the principal is to be turned over to anybody he cares to give it to in his will. Actually it isn't John Jones who gives this money away. It is—or, rather, it was—his grandfather. All that Jones does is to name the persons to receive it. In other words, he "appoints" it. He has a "power of appointment."

If Jones leaves a valid will and appoints the fund to someone, the market value of the whole fund will be included in his gross estate for Federal tax purposes.

What if Jones does not appoint the fund to anybody? Unfortunately, there might not be a saving. The rule is that mere possession of the power would cause the fund to be included in his gross estate if:

- (1) The grandfather established the fund after October 21, 1942, or
- (2) The grandfather established the fund before that date but Jones dies after June 30, 1951 (or after any later date that may be set by Congress).

In connection with a "new" trust—one established after October 21, 1942—there might be a gift tax payable upon giving up the power. Or

the giving up of the power might be considered a transfer in contemplation of death.

But in connection with an "old" trust—one established before October 21, 1942—the estate tax law specifically provides that there shall be no gift tax. It also says that the transaction shall not be considered in contemplation of death, if the power is given up on or before June 30, 1951. Until that date there could be a big saving in giving up the power. (Congress may extend the period for taking action. The deadline has already been postponed several times.)

"MANAGING PERSONAL FINANCES"

By David F. Jordan and Edward F. Willett. Prentice-Hall, New York. 366 pp. \$5.

THIS is the third edition of a text for courses in home management, consumer economics, family finance, and investments. Its purpose is to give "specific help in financial problems."

There are chapters on inflation, checking accounts, budgeting, taxes, charge accounts, instalment buying, borrowing, insurance, savings accounts, home ownership and rental investment and speculation in securities, trust funds, wills, business cycles and organizing a new business.

"RISK AND RETURN"

By Robert Lee Sharp and Wallace H. Matlock. Borden Publishing Company, Los Angeles. 124 pp. \$5.

SUBTITLED "How to Live With Wall Street," this realistic book by two investment counsel is primarily directed at successful speculation; there is, however, a chapter on "pure investment."

Several rules for successful investment are given. One is: Finance your purchases with your own money; another, buy only high grade common stocks and tax exempt bonds, and U. S. Government obligations. And remember that no investment is permanent—"to survive financially you must be eternally vigilant."

The book is illustrated with cartoons by George Clark.

Owners of American Business

IT'S often said that the more "capitalists"—property owners—this country has, the safer our private enterprise system.

G. Keith Funston, new president of the New York Stock Exchange, puts it this way:

"I hate haranguing Americans to believe in their economic institutions. In proportion as they themselves participate in those institutions, by their own investments in stocks or in other forms of property ownership, they need no haranguing. Ownership speaks louder than oratory. The men of the American Revolution linked 'property' and 'liberty.' I believe in that Revolution. And I am firmly convinced that the more we diffuse our property the more we ensure our liberty."

Mr. Funston, who recently became head of the Exchange after seven years as president of Trinity College, believes a "profound revolution is happening in the American economy." High taxes have made it impossible for the wealthy to continue carrying the bulk of the load in supporting and expanding American industry by the purchase of its securities. People in the lower and middle income groups, he says, must succeed the rich in performing this economic function, adding: "Fortunately American efficiency and productivity have almost miraculously

enlarged our resources in those brackets."

Mr. Funston expresses his views in the NYSE's magazine, *The Exchange*. His article, "Should You Buy Shares in America?," points out that in 1929 there were 660,000 individuals with annual incomes, after taxes, of \$5,000 to \$10,000. In 1946 there were 2,300,000. In 1929 their combined net income was \$4,500,000,000; in 1946 it was \$11,200,000,000—and there was an even greater growth in brackets below \$5,000.

Citing an estimate that there are now 15,000,000 stockholders in American enterprises, the article goes on to say that a large brokerage firm recently found that one-third of its customers had incomes of less than \$5,000.

THE Exchange president also has something to say about stocks and inflation.

"You cannot," he asserts, "completely escape from the danger of inflation by any known form of investment. Nor can you escape from it by avoiding investments. If you take \$100 and hide it under your mattress for 10 years, its purchasing power, when you take it out, may be \$75 or even only \$50. I would not for a moment claim that stocks are a perfect hedge against inflation. However, dollars in stocks have recently given a much better performance than dollars under mattresses.

"Since 1939 the cost of living has gone up 85 percent. Meanwhile, the prices of stocks, as measured by the Dow-Jones index of 65 assorted stocks listed on the New York Stock Exchange, have gone up 84 percent. That is, what you bought of those stocks for \$100 in 1939 you could now sell for \$184. The increase in the value of your stocks would have been within 1 percent of the increase in the cost of living."

MR. FUNSTON offers some words of caution:

"Remember, there is risk in buying stocks. They can go up. They can also go down. Never buy stock in a company until you have satisfied yourself as to the company's

history and probable future. Some companies are long-time dividend-payers. There are 302 American stocks listed on the New York Stock Exchange that have paid a dividend every year for at least 20 years; 62 have done it for at least 50 years; 14 have done it for at least 75 years. And there is one old veteran that has actually paid a dividend every year for more than 100 years.

"Some stocks, though, have records that are much more fluctuating. A stock is a piece of ownership in a company. Companies can have different fortunes. In buying stocks, you can choose between smaller risk, with often smaller reward, and larger risk, with sometimes larger reward."

LAYMEN'S FORUM ADDED TO TECHNICAL SERIES

The Mercantile National Bank of Dallas, which originated forum trust discussions six years ago, varied the program this year. Three of the four sessions were for professional people; the fourth was for laymen, on the subject "Estate Planning from the Laymen's Point of View." The technical meetings were for life underwriters, attorneys, and accountants.

"Really, John, is it wise for a man of your years to buy bonds maturing 51 years from now?"



"For Pete's sake who put in a call to that broker?"



Making Gifts to Minors

EARL S. MACNEILL

The author is vice-president of the Irving Trust Company, New York.

THE devices are countless which parents have utilized in seeking to reduce their taxable estates by successive gifts within the \$3,000 gift tax-free "exclusion." Particularly where the recipients are "infants"—under 21. The most common methods were listed by Mayo Adams Shattuck, in an address at Section of Real Property, Probate and Trust Law at the recent meeting of the American Bar Association held in New York in mid-September. One by one, as he listed them, he exposed their ineffectiveness.

The outright gift? Simple enough to give Junior \$3,000 in cash. But what will Junior do with it? Anyone who does business with the young capitalist does so at his peril. Under the law, a minor may disaffirm any purchase he makes; and any sale. In most states a minor may disaffirm any withdrawal he has made from a bank account opened in his name. The outright gift may take the form of stock certificates, registered in the minor's name, in hope a complaisant broker will guarantee the minor's signature on any sale; or the same complaisant broker may lend the name of his nominee. Up goes the stock that was sold—and the infant can disaffirm, requiring the broker to put him back in funds. Infants have done so—see the lawbooks!

True, an infant legally can own property; but the precautions adopted by the law to protect the minor from his presumed folly can result virtually in a sterilization of the outright gift to him, so that it cannot be freely used, even for the minor's advantage.

But, you say, there is the machinery of legal guardianship. Let a member of the family be appointed guardian; the outright gift, whether in cash or property, then can be made and the guardian will be able to administer the gift without peril to third parties and there will be no sterilization.

Here, again, Mr. Shattuck cites and demolishes. The process of obtaining and carrying out legal guardianship is expensive and time-consuming.

THERE is left the device of giving in trust—and here the objections heretofore offered by Mr. Shattuck can be made to disappear if the trust is rightly planned. But in this area problems of the gift tax exclusion arise.

A word as to this "exclusion." If you give no more than \$3,000 in a year to a particular person, you needn't report it; it is excluded from application of the gift tax law. But, says the law, the exclusion does not apply to future interests. And what are future interests? They are interests, say the regulations, "which are limited to commence in use, possession or enjoyment at some future date or time."

So you make an irrevocable trust of \$3,000. You stipulate that the income shall be accumulated until the child becomes 21, for if you had made the income payable to the child it would be taxable as part of your

income on the theory that you are indirectly performing your parental duty to support the child. When the child is 21, the principal and accumulated income is to be paid over to the child. So enjoyment of income and principal is deferred—and the exclusion is denied.

Mr. Shattuck discusses at some length a recent decision (*Matter of Kieckhefer*) which may have opened the door to wholly tax-free gifts in trust to legal infants. There a grandfather created a trust, naming the father as trustee, for the benefit of a new-born grandson. Income could be spent for the infant's needs (grandfather could with impunity so provide for he had no duty to support) but any income not so spent was to be accumulated; and principal and any and all accumulated income were to be paid over to the grandson at age 21. The trust agreement contained this unusual provision: that the trust might be terminated at any time, or principal withdrawn, by written demand made upon the trustee by the beneficiary or his legally appointed guardian. The Commissioner denied the exclusion; the Tax Court upheld the Commissioner; the Circuit Court over-ruled the Tax Court—and that is where the case stands at this time. The court's reasoning was fine-spun; it was, of course, the infant's right to withdraw or terminate, through his guardian, that determined the decision. "But is this decision the law of the future?" asks Mr. Shattuck. "No one can say."

He adds: "In either event, how important is it in estate planning for the average family? We must not allow ourselves to be mesmerized by the intriguing ramifications of a relatively important consideration. Ordinarily, a man of moderate means will not want to vest in the minor beneficiary, or in his guardian, an unlimited right to demand all of the trust principal..."

IN seconding these conclusions, this footnote is offered: Too many have fixed their gaze too intently upon the exclusion, with hypnosis as the result. But to this average "man of moderate means"—not so moderate but that he has some desire to cut down the size of his estate for tax purposes—the exclusion can scarcely be a very important factor. It amounts to \$3,000, of course, and to \$6,000 if his wife permits him to utilize her exclusion along with his. But he has a \$30,000 "lifetime" exemption from the gift tax, and this also may be doubled with his wife's acquiescence. So a total of \$60,000 may be given through an irrevocable trust for the benefit of infant children, all without gift tax cost and with no greater internal (Revenue) pain than is involved in the filing of a gift tax return. Normally this would be enough for this moderately well-off man; and if the gift exceeded \$60,000 by not too great a margin, only a small tax would be due, for the rates in the lower brackets are relatively small. To him might be said: Don't swallow the "camel" of over-complicated device merely to avoid the "gnat" of denied exclusion.

Several thousand subscribers to a theatre club were asked recently to vote for the drama critic whose reviews most influence their theatre-going. They voted 80% for Brooks Atkinson, only 4% for the next critic.

Only a person completely alien to the U.S. theatre would have been surprised by this outcome. *Time* magazine calls Brooks Atkinson the "dean of Manhattan's drama critics." More than his quarter-century of occupying a third row aisle seat at opening nights has gone into that distinction. When Atkinson of *The Times* calls the turn on a turn, more often than not the nation's playgoers agree with him.

Brooks Atkinson has been a newspaper reporter since he emerged from Harvard in 1917. He has been with *The New York Times* since 1922, first as editor of the Book Review, and since 1925, with only one break, as drama critic. The break was an important one.

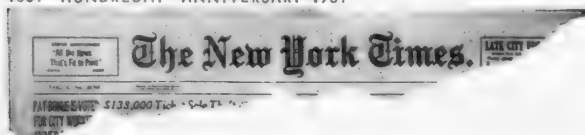
It came during the war. Atkinson felt that the real drama was being played far from Broadway, and he wanted to review it. In 1942 he donned a war correspondent's uniform and went to Chungking. In 1945 he went to Moscow. There he learned about a curtain different from any he had seen in the theatre. It was an iron curtain, and it never went up. Atkinson rang it up in a series of pieces he wrote when he came back to the U.S. in 1946. They won him the Pulitzer Prize, journalism's highest distinction.

On *The Times* staff you will find many men and women of superior ability and achievement like Brooks Atkinson. Pooling their talents and their skills each day they help make *The Times* the interesting, authoritative, unusual newspaper it is. Readers believe it and believe in it.

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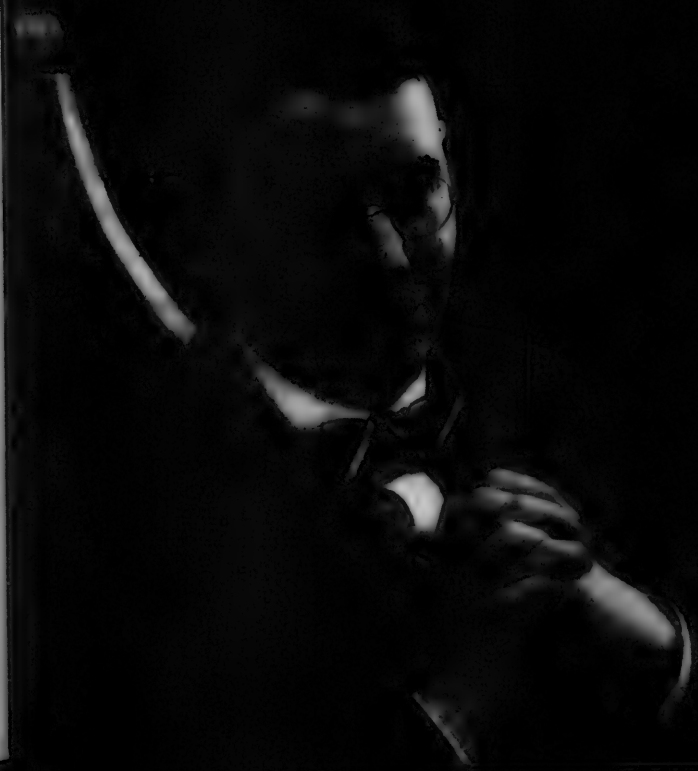
when
he goes
to the
theatre
the world
goes
with him

1851 HUNDRETH ANNIVERSARY 1951



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Most of the "Finance Discussions for Young Farmers" are held in classrooms or county courthouses; however, in Princeton, Kentucky, the season and weather were favorable and an outdoor meeting was held. Mr. Graham, standing. Chart No. 5 is on display at right

It Pays to Counsel Young Farmers

ROBERT STEPTOE

In this article MR. STEPTOE, who is public relations director of the Kentucky Bankers Association, tells how the KBA has presented the message of agricultural credit to more than 4,500 Kentucky farmers in 61 of the state's 120 counties.

In the past few years, MR. STEPTOE has had articles published in the Saturday Evening Post and leading farm and finance journals.

MOST educators and bankers agree that trying to bring the rudiments of finance to the coming generations of farmers is a monumental task. It might not be too difficult to accomplish in a small community—but to tackle a whole state, that's a horse of another color.

However, the movement taking place today in the romantic land of fancy horses, famous bourbons and fabulous bluegrass—that well known piece of real estate we call

Kentucky—has taken a big bite out of the mystery surrounding farm credit and farm financing.

171 GI Farm Training Classes

As a result of a plan of the Kentucky Bankers Association, today there are more than 4,500 young Kentucky farmers with a better knowledge of agricultural credit. Landowners and tenants, they range in age from about 22 to 37. In 171 GI farm training classes they have discussed and pondered many of the details of financing a farm operation.

These youngsters are the lads who came up through a severe depression, took time out to fight the biggest war in history, and now are picking up the pieces of education and experience to establish themselves for the future.

Their struggle for a farm dollar in the Thirties took too much time for more than a passing glance at

credit operations. During World War II, while in their late teens and early twenties, their struggle to come back alive was far more pressing.

But the gap in this vital phase of their education was still there. For the sake of banker and farmer alike, the Kentucky Bankers Association has come forth with a plan that will plug some of this gap.

Graham Tabbed for a Job

John Graham, agricultural representative of the Kentucky Bankers Association, was traveling the state on a series of farm management meetings in the fall of 1950. His companion was Roy Tabb, professor in vocational agricultural education, University of Kentucky.

"Johnny," Professor Tabb observed, "we have a mighty competent group of instructors in our GI farm training classes. They know farming. They know its techniques.

They know how to teach. The one spot of relative weakness lies in the general area of agricultural credit and its principle of operation. Have you any ideas how something can be done about it?"

Graham thought it over as the professor described the organization of classes in this statewide program. "Classes limited to 25 . . . an average of about three classes per county . . . 120 counties in the state . . . credit given for attendance . . . one teacher per class."

"Why not," John thought aloud, "assign a two-hour class period on the subject of farm financing. Find someone who will be willing to sift the available material and approach the topic from the point of view of the individual who needs credit?"

Professor Tabb immediately tabbed him for the job.

"Will you do it? Will your organization let you spend the time and bear the travel expenses for a job of this scope?"

John Graham talked it over with the executive secretary of the KBA, Ralph Fontaine. From the outset, Ralph, who has earned a nationwide reputation for doing progressive things first in the association field, was enthusiastic. They both felt the association's program of promoting closer relations between farmer and banker was making excellent progress. Here now was something that would bring further benefit to both.

A Made-to-Order Routine

John set to work. He devoted hours and days to research whittling the mass of information into a two-hour lecture. He and Ralph poured over the data. A special committee of member bankers was set up to check its soundness. Once everything had been cleared, the next step was arranging for actual class sessions.

Graham spends most of his time touring the state. In the summer, he's out just about every day at a county-level banker-farmer meeting. In the winter, he is speaking at the dinners sponsored by banks where local agricultural leaders are recognized for past accomplishments. Between dinners, he calls on all the banks to help plan the summer's activities.

E. P. Hilton, director of vocational agricultural education, Department of Education, was eager to bring this instruction to his veteran

students. He told Johnny, "You tell me where you're going to be in the state, and I'll have a couple of classes and all the instructors in that county waiting for you."

This solved the dilemma of bringing the man with the information before those who would benefit most from the material. John set up a schedule. He also made certain that the top loan officers for the banks serving the area where he talked were on hand.

"They Liked It . . . Wanted More"

The first session was held November 27, 1950, in the little town of Clinton, the county seat of Hickman County, in the southwestern tip of the state. The bankers reacted to the discussions in about the same manner a farmer reacts to a two-day rain after weeks of drought. They liked it and wanted more of it.

From Lyon County, A. B. Thomson, president, The Citizens Bank, Kuttawa, wrote, "Some of the veterans at the start of the meeting seemed to be antagonistic towards banks and bankers. After explaining the problems, it seemed to me there was quite a change in the attitude of those who were antagonistic."

"I have never seen such a complete picture of the banking situation as it exists today, as set out in this material. Although I have been in the banking business over 40 years, there was a lot of new information for me, especially the Government set-up on loans for farmers."

In the other end of the state, along the Ohio border, not too far from Cincinnati, B. L. Hancock, president, Peoples Bank & Trust Company, Owenton, and vice-president, Kentucky Bankers Association, put himself on record this way: "I think it is one of the best programs. . . . The subject matter is very informative and certainly gives the veteran a general picture of his part in a loan as well as the banker's side of the picture. I wish all our loan customers could hear it."

Three Basic Questions

With the dreams and aspirations of each veteran in mind, John Graham propounds three simple but very basic questions: (1) What are the necessary assets for farm operations? (2) What are the costs of the things needed in a farm busi-

ness? (3) What sources of funds are available to finance the ownership of these things?

The answer to the first question is especially noteworthy to the groups. More than a few veterans were overheard remarking: "That list he gives really unscrambles my mixed-up approach as to what really goes into a farm business."

Graham, a former county agent for 25 years, sets down the assets in their order of importance as follows:

- (1) Land and permanent improvements (real estate);
- (2) Implements and machinery;
- (3) Work stock or mechanical power;
- (4) Feed and supplies for farm use;
- (5) Breeding or milking animals;
- (6) Market livestock (hogs, lambs, feeding cattle);
- (7) Grain and other crops to be fed or sold; and
- (8) Cash for current expenses.

To many, the idea of three types of debts is news. One lad remarked, "Heck, I always thought a loan for land and a loan for cattle were one and the same. Now I can see what is meant by these different types of debts," (long-term, intermediate-term, and short-term debts).

The lecture material is amplified by the use of six charts, namely: "Necessary Assets for Farm Operation"; "Credit Services Received by Kentucky Bankers in 1949" (as to source); "A Bank Statement" (used in explaining loan limitations and other points about bank operations); "Conditions Favorable to Accumulation of Farming Capital"; "Rules for Wise Use of Credit"; and "Wise Extension of Credit."

Service By Kentucky Banks

Without propagandizing, Johnny clearly demonstrates the service being rendered to farmers by Kentucky banks. "The long-term debt picture in Kentucky, according to 1950 figures, shows banks holding \$45,000,000 out of a total of \$97,000,000 borrowed under this category. The bulk of the balance is divided among insurance companies, individuals, Federal Land bank, and Farm and Home Administration. The nonreal estate, intermediate and short-term picture shows 75 percent by banks, 16 percent by Production Credit Association, 6 percent by

(CONTINUED ON PAGE 96)

News for Country Bankers

Country bankers are invited to contribute public relations and management material for use in this coverage of various aspects of banking, edited by MARY B. LEACH of BANKING's staff.

Larger Share of CCC Interest Asked by Banks

A MORE equitable share of the interest paid by the producers of commodities for Commodity Credit Commission loans is being sought by the banks. At a special meeting of bankers during the Annual Convention of the American Bankers Association in Chicago a resolution was adopted asking for a hearing by the board of directors of the CCC and its advisory board at a meeting scheduled for November 5 and 6.

The resolution and a detailed brief in support of the bankers' plea have been forwarded to Charles F. Brennan, Secretary of Agriculture, by W. W. Campbell, chairman of the A.B.A.'s Agricultural Commission. In his covering letter, Chairman Campbell asked that the bankers be heard at the CCC's November meeting. Elwood M. Brooks, president, Central Bank & Trust Co., Denver, and Erle Cocke, president, Fulton National Bank, Atlanta, are members of the CCC's Advisory Board.

The resolution adopted by the bankers and forwarded to the Secretary reads as follows:



Bankers and poultry men who took part in a Maine Bankers Association tour of poultry farms, hatcheries, and processing plants to see the Maine poultry industry in operation. Claude F. Clement, cashier, The First National Bank of Belfast, and chairman of the MBA's agricultural committee, was assisted, in the conduct of the tour, by the commissioner of agriculture, the head of the poultry department at the state college, the extension poultryman, and the county agent. Several out-of-state bankers went on the tour.

"The banks of the nation have played an important part in the administration of the USDA's price support program in making and servicing CCC loans for farmers.

"The compensation received by the banks for their services in connection with such CCC loans has been inadequate, inequitable, and unsatisfactory.

"Interest rates on Government bills and short-term bonds have been increased, thus making the present CCC interest rate of 1½ percent allowance to banks completely out of line, and repeated efforts over the years have been of no avail in at-

tempting to secure for the banks a more equitable share of the interest paid by the producer of the commodities.

"Therefore, it is resolved that a letter shall be directed to the Secretary of Agriculture, enclosing a copy of a brief based upon a memorandum prepared by the Agricultural Commission, A.B.A., entitled 'Commodity Credit Corporation Loans,' dated September 12, 1951, which was used as a basis for discussion of the CCC interest rate problem at a meeting of bankers held at the A.B.A. Annual Convention in Chicago, Illinois, on September 30, 1951; and it is resolved that a request shall be made of the Secretary of Agriculture that, at the meeting of the Board of Directors of the Commodity Credit Corporation and the Advisory Board of the Commodity Credit Corporation scheduled to be held November 5 and November 6, 1951, an opportunity should be afforded to representatives of the American Bankers Association to be heard.

"It is further resolved that a copy of this resolution together with a copy of the brief shall be forwarded to each director of the CCC and to each member of the Advisory Board of the CCC."

(CONTINUED ON PAGE 120)



W. W. Hopper, president, First National Bank of Nevada, seated, presents savings pass books and U. S. Savings Bonds to 4-H'ers. Paul Maloney, assistant director of junior extension work at the University of Nevada, standing in rear. Mr. Hopper is president of the Nevada Bankers Association.

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Reserves for Replacing Farm Machinery

V. B. HART

DR. HART, a frequent contributor to *BANKING*, is professor of farm management, New York State College of Agriculture, Cornell University, Ithaca, New York. In this article he gives a summary of the farm equipment situation and the reserve funds owned by farmers at the beginning and at end of World War II and at the present time.

THE U. S. Treasury's Defense Savings Bond drive calls attention to two things in the farm field. One is the program of the Agricultural Commission of the American Bankers Association, which encourages farmers to build financial reserves. The other is the \$15-billion worth of machinery owned by farmers in this country.

After 10 years of depression farmers went into World War II with a badly depleted bunch of equipment. Then, when farm incomes went up and farmers had the money to buy new machinery, the steel was needed for tanks, planes, and guns. So American farmers did a magnificent job of tinkering and toggling to keep the wheels turning during the war—and salted down in bank accounts and War Bonds the dollars they could not spend for machinery. Then, after the war when machinery again became available, they really went to town in buying new equipment. At the end of World War II, farmers had about \$6-billion worth of machinery. They now have over \$15-billion.

End Not Yet in Sight

Three years ago a farmer who had just bought a new tractor and combine told the writer that he was "all through buying machinery." George Washington said the same thing over 200 years ago, but the records show that he changed his mind. Likewise the 20th century farmer who thought his farm was adequately equipped with machinery has already added another tractor, a self-propelled combine, and a field chopper. And with the present high cost of labor, each of those machines has been a good investment for him.

★
A pick-up hay-baler, such as may be seen on many American farms during the haying season



★
Most farmers are pretty smart about figuring out what the cash operating costs are on a piece of farm machinery, how much labor it will save, and whether it will pay to own one. But unfortunately many just do not realize what the total depreciation bill is on their machinery—and that much of the bill will be coming due at one time. A large part of that \$15-billion worth of machinery on our farms was purchased in the last three to five years. This means that a lot of it will be going to the junk heap at the same time. Also, obsolescence is stepping up the rate of depreciation on farm machinery today. With the rapid development of new machines and new models, many farmers find it often pays them to junk or trade in a machine long before it is worn out from use.

What It Adds Up To—

Farmers have nearly twice as much machinery as they had six years ago and have well over twice as many dollars invested in it. Much of their machinery was bought at about the same time and will have to be replaced at about the same time. And it will take a big jack-pot of money to replace it. Good farm management has always called for laying up a reserve to replace machinery. With annual depreciation on farm machinery the largest in history, and more of the depreciation bill coming due at one time

than ever before, a reserve to replace machinery is of added importance.

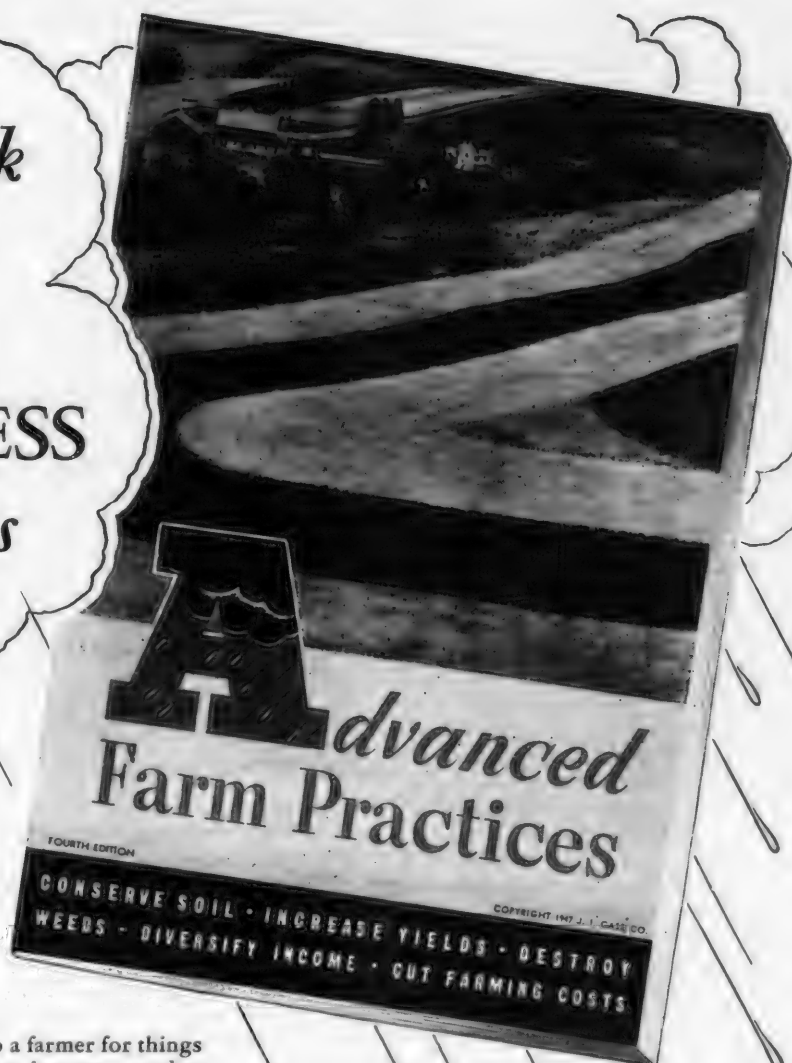
Defense Savings Bonds offer a practical form in which to build a machinery depreciation reserve. For example—suppose a farmer pays \$2,250 for a new tractor and figures it will last 10 years. That means an annual depreciation of \$225. If each year he buys three \$100 "E" bonds for \$75 each, at the end of 10 years the cash value of his bonds will be \$2,537. That \$2,537 will cover the full purchase price of his tractor and leave a margin of \$287.

"Liquid Reserve Better Bet"

Of course no one knows what a tractor will cost 10 years from now. Further inflation might mean that it will take all of \$2,537 plus some more to buy a tractor; and deflation might mean that amount of money would buy two tractors. But at any rate, laying up a reserve in Defense Savings Bonds to cover depreciation on farm machinery looks like a better bet than not having a liquid reserve payable in dollars when Old Man Depreciation presents his bill.

So I say: More power to the Agricultural Commission of the American Bankers Association for encouraging farmers to build financial reserves in Defense Savings Bonds—plus the suggestion that the program be given an added shot in the arm of machinery-depreciation vaccine. (END)

This Book **HELPS BUILD BUSINESS for Banks**



● When you lend money to a farmer for things that bring him a better, surer income...and at the same time protect and improve his basic collateral, the soil...you are building a good customer for your bank. It is good business to encourage such advanced farm practices even when they don't call for new money from you or new machinery from us.

That's the reason for the booklet shown above. In 30 bulletin-size pages it packs a score of sound farming practices—some new, some

old, all profitable and protective. It cites such authorities as Morrison's "Feeds and Feeding" and the state experiment stations. It refers repeatedly to local and regional data available from the Soil Conservation Service, county agents and agricultural colleges.

It's so brief, so simple, so full of photos there's no room to go into much detail. Its purpose is to arouse interest, suggest plans, stimulate action. Its scope ranges from stubble-mulch tillage to safety principles. It's just one of many educational booklets, movies, charts, etc., created by Case.

We'd like to send you a sample...or a supply, if you can use it...of "Advanced Farm Practices." And remember—we believe that financing of farm machinery sales is logical business for local financial institutions.

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BANK LAW NEWS

INTEREST ON CERTIFICATE OF DEPOSIT

A certificate evidencing a \$600 bank deposit carried the following provision: "*Payable . . . twelve months after date, with interest at 5 percent, per annum. No interest paid after due date.*"

According to Oklahoma's Supreme Court that meant that the depository bank was entitled to keep the money deposited "completely freed from plaintiff's control" for 12 months and, in return, was required to pay interest for that privilege. Thereafter, said the court, the money was as completely under the depositor's control as an ordinary demand deposit and the depositor was therefore not entitled to interest upon it.

One judge disagreed. In his opinion, the quoted words merely fixed the time the deposit was required to remain with the bank before the depositor would be entitled to interest.

Apparently helping him to form this opinion was the fact that nine years after the certificate was issued and 20 years before the deposit was demanded, the president of the bank, who had originally issued the certificate, wrote the depositor a letter acknowledging that the deposit was drawing interest at 5 percent and offering to pay him \$885 on receipt of the certificate properly endorsed. *Kyselka v. First National Bank*, 230 P.2d 911.

STOCKHOLDERS

Ohio's Supreme Court has held that statutes which authorize a state savings and loan association to convert into a Federal association and make no provision that dissenting stockholders are entitled to the fair cash value of their stock in the state association, do not impair the obligation of contract or deprive the dissenting stockholders of property without due process of law. *Opdyke*

v. Security Savings & Loan Co., 99 N.E. 2d 84.

STOCK TRANSFER ACT

Delaware's Chancery Court for New Castle County has held that the Uniform Stock Transfer Act's provisions that a stock certificate is the "share of stock" have no effect on the situs of shares, so that the situs of shares of a Delaware corporation is still Delaware for purposes of jurisdiction of the courts and actions in the courts. *Hodson v. Hodson Corp.*, 80A. 2d 180.

DEPOSIT IN TWO NAMES

New Hampshire's Supreme Court, with one judge dissenting, has held that the opening of a savings account by one person in the names of himself and another, does not of itself give the other person any interest in the account. The court rules that the other person has the burden of proving that he acquired a present interest in the account either by gift or by contract, and that when he never had the passbook and never signed signature card for the account, he failed to sustain that burden. *Nashua Trust Co. v. Hebhene Mosgovian*, 79 A.2d 636.

STOPPING PAYMENT

Georgia's Court of Appeals has held that one who draws and subsequently endorses a check may

not avoid his liability to holders in due course by exercising his absolute right to stop payment, that he may, however, hold a telegraph company liable for nominal damages for its failure properly to transmit his telegram stopping payment, but that he may not recover special damages without showing that the company's error affected his liability on the check. *Stewart v. Western Union*, 64 S.E. 2d 327.

MORTGAGE FORECLOSURE

Alabama's Supreme Court has pointed out that while tender of the full amount of a mortgage debt to a mortgagee before he takes possession of the mortgaged property for the purpose of foreclosure would ordinarily deprive him of his right to repossession, if a mortgage provides that it secures not only the mortgage debt stated therein, but also "any other liabilities" of the mortgagor to the mortgagee, tender of the amount of the stated debt is insufficient to divest the mortgagee of his right to repossession. *Decker v. State Nat. Bank*, 51 S.2d 538.

BANK DIRECTORS

Decisions with respect to such matters as retirement of preferred stock, declaration and determination of the amount of dividends, and fixing of officers' salaries rest in the discretion of a bank's directors, the Supreme Court of Kansas has held.

This discretion will not be interfered with at the instance of a minority bank stockholder seeking to compel distribution of undivided profits, retirement of outstanding preferred stock, and reduction of the president's salary, said the court, unless fraud, bad faith or other clear abuses of the directors' discretionary power are shown. *Cron v. Tanner*, 229 P.2d 1008.

BANKS are, or should be, community service agencies working hand-in-hand with municipal authorities, business and professional groups toward the enhancement and revitalization of "grass roots" community life. This must be done now more than ever before, or dynamics of increased Federal control will inevitably destroy the foundations of our great American System.

—GEORGE H. SHAY, *Johns-Manville Sales Corporation*



State Tax Reports...



- State taxation once was easy. The property tax, a franchise tax, and a few license taxes made up the picture. But now all this is changed.
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- For these basic reasons Tax Men everywhere welcome the special assistance of CCH's State Tax Reports.
- Forty-eight states and the District of Columbia are each individually covered by CCH's State Tax Reports, each state the subject of its own reporting unit. Swift, accurate, convenient, the informative regular issues of each unit keep your tax facts and information constantly up-to-the-minute. Coverage includes new laws, amendments, regulations, rulings, court and administrative decisions, return and report forms—in short, everything important or helpful in the sound and effective handling of corporate or individual state taxes and taxation.

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If you have been considering this program for your own bank, we are prepared to advise you concerning its installation. Or, if you are already using it, perhaps we can answer any specific questions that you have.

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President Cocke (center) being congratulated on his accession to the presidency of the American Bankers Association by his predecessor, James E. Shelton. At the left is Treasurer Gladney. Next to President Cocke is Vice-president Brenton, and at the extreme right is Executive Manager Stonier

The Chicago Convention Was BIG!

THAT 77th annual convention of the American Bankers Association in Chicago was big, big, BIG!

It was big, mind you, not only in size but in scope of program and production of ideas. And when the new president, C. Francis Cocke, brought down the adjourning gavel at the Stevens Hotel, the 7,887 delegates headed for home with freshly focused viewpoints on the day's problems, notably aspects of the nation's economic housekeeping, and the general trend of these times.

Mr. Cocke, president of the First National Exchange Bank, Roanoke, Virginia, took over direction of A.B.A. affairs from James E. Shelton, president of the Security-First National Bank of Los Angeles, and will serve until the next convention, to be held at Atlantic City, New Jersey, September 28-October 1, 1952. His teammate, the vice-president elected at Chicago, is W. Harold Brenton, president of the State Bank of Des Moines. The new treasurer, for a two-year term, is William B. Gladney, president of the Fidelity National Bank, Baton Rouge, Louisiana, who was chosen by the Executive Council.

In his inaugural address Mr. Cocke noted that the incoming administration was being launched into "a complex world—and we shall find our own country fairly teeming with problems."

"The almost daily happenings," he said, "are of such great moment that the strength of each of us is taxed to cope with them. The frightening implications of the conditions both in this country and throughout the

world are a challenge to us to do our utmost to carry on the fundamental principles of life of free men and our democratic form of government, both of which we have inherited. These inalienable rights are treasure in our hands which we must cherish and nurture. We must pass them on to the next generation unsullied and made even stronger and more stable, so that free men and their government shall not pass from the earth."

"Too Much at One Time"

From the meetings of the Association's councils, commissions and committees on September 30 through the final session of the Executive Council on October 3, the convention kept its eyes on the banker's responsibilities as a banker and as a citizen. It pledged, in resolutions, Association support of the "great non-partisan" defense program, but warned that the nation's economic strength must be cherished, and that "present Government and private programs now threaten the resumption of inflation."

"We have been and are now trying to do too much at one time," said the resolutions, "for we are coupling a huge military and foreign aid program with continued national, state and private spending excesses which breed deficit financing by Government, business and individuals. . . . The only realistic corrective is restraint in public and private spending, and this is a job for the Administration, Congress, and all the people."

The Voluntary Credit Restraint Program, the convention was told, is working well; and it decided that



The outgoing president watches the new president and vice-president shake hands immediately after the latter's election

Government lending agencies "should be subject to the same tests as banking is imposing on itself."

Among many notable speakers the delegates heard were the Secretary of the Treasury, John W. Snyder; the chairman of the Board of Governors of the Federal Reserve System, William McChesney Martin, Jr.; the Comptroller of the Currency, Preston Delano; the president of Cornell University, Dr. Deane W. Malott; the national commander of the American Legion, Erle Cocke, Jr.; the president of Lockheed Aircraft Corporation, Robert E. Gross—and, of course, the Association's retiring president, Mr. Shelton. Their varied messages were heard with close attention; and after each session an unusually large number of delegates came to BANKING's convention office for copies of the speeches. In other words, the convention didn't end in Chicago; it went back to the banks.

"Father and Son Day"

President Shelton squeezed into the big program a number of warmly human touches. For example, the concluding session was informally labeled "Father and Son Day," in recognition of the fact that on the platform were those well-known bankers, M. H. "Mike" Malott, chairman of the Abilene (Kansas) State Bank, and Erle Cocke, Sr., president of the Fulton National Bank, Atlanta. Their sons were featured speakers. Both dads were presented to the convention which applauded them enthusiastically.

Fred I. Kent, whose A.B.A. activities go back half a century, got an ovation when President Shelton escorted him to the rostrum. Mr. Kent, entering his fourth decade as chairman of the Commerce and Marine Commission, took his first Association committee assignment in 1903, two years after he had helped organize Chicago Chapter of the American Institute of Banking. Mr. Kent is now a director of Bankers Trust Company, New York.

W. W. Campbell, president of the National Bank of Eastern Arkansas, Forrest City, and chairman of the A.B.A. Agricultural Commission, awarded to the North Dakota Bankers Association a certificate recognizing its attainment, for the 20th consecutive year, of the

Commission's 1,000-point rating award for outstanding service to agriculture. The certificate was presented to Fred A. Irish, chairman of the North Dakota association's agricultural committee and chairman of the First National Bank & Trust Company, Fargo. Also representing the NDBA on the platform were A. R. Weinhandl, president of the association and president of the First National Bank of Minot, and C. C. Wattam, the association's secretary.

Mr. Campbell also presided at that popular convention function, the Commission's Agricultural Breakfast, attended by some 400 bankers who heard an address by Allan B. Kline, president, American Farm Bureau Federation.

Distinguished Guests

Although the convention's main interests centered on the present and the future, there was time for recognition of men who had guided the Association in the past. At the first general session Dr. Harold Stonier, the executive manager, introduced former presidents J. Raymond Peterson, Evans Woollen, Jr., Joseph M. Dodge, Frank J. Rathje, W. Randolph Burgess, A.L.M. Wiggins, W. L. Hemingway, P. D. Houston, Robert M. Hanes, Tom K. Smith, Robert V. Fleming, Rudolf S. Hecht, Francis Marion Law, Robert F. Maddox, and Lewis E. Pierson.

Another guest of honor at this meeting was Mrs. Georgia Neese Clark, Treasurer of the United States.

There was a warm vote of thanks to the Chicago banks, the convention hosts. On their behalf the delegates were welcomed to the nation's second city by Solomon A. Smith, chairman of the Clearing House Committee, Chicago Clearing House, and president of The Northern Trust Company. Mr. Smith congratulated John J. Anton, chairman of the convention executive committee and vice-president of The First National Bank, and all members of the many local groups which helped arrange the meeting, on "a splendid job well done." Hearty applause signified the convention's endorsement of that tribute.

New Officers

Officers elected by Association divisions and sections were:

NATIONAL BANK DIVISION: *President*, Charles H.

Secretary of the Treasury Snyder addressed the first session





Federal Reserve Board Chairman Martin at the first general session



Comptroller of the Currency Delano spoke at the National Bank Division meeting

Buesching, president, Lincoln National Bank & Trust Company, Fort Wayne, Indiana; *vice-president*, T. ALLEN GLENN, JR., president, Peoples National Bank, Norristown, Pennsylvania; *Chairman, Executive Committee*, Henry A. Kugeler, president, Denver National Bank. Mr. Buesching succeeded L. C. Bucher, president, Lincoln National Bank, Cincinnati.

SAVINGS AND MORTGAGE DIVISION: *President*, Joseph Earl Perry, president, Newton (Massachusetts) Savings Bank; *vice-president*, Wendell T. Burns, senior vice-president, Northwestern National Bank, Minneapolis. Mr. Perry's predecessor was William A. Reckman, president, Western Bank & Trust Company, Cincinnati.

STATE BANK DIVISION: *President*, Guy Sturgeon, president, Bank of Commerce, Sheridan, Wyoming; *vice-president*, B. M. Harris, president, Yellowstone Banks, Laurel and Columbus, Montana; *chairman, Executive Committee*, Harry M. Arthur, president, Arthur State Bank, Union, South Carolina. Mr. Sturgeon succeeded John Q. McAdams, president, Winters (Texas) State Bank.

TRUST DIVISION: *President*, Joseph W. White, vice-president, Mercantile Trust Company, St. Louis; *vice-president*, Robert A. Wilson, senior vice-president, Pennsylvania Company for Banking and Trusts, Philadelphia; *chairman, Executive Committee*, N. Baxter Maddox, vice-president and trust officer, First National Bank, Atlanta, Georgia. The former president is Raymond H. Trott, president, Rhode Island Hospital Trust Company, Providence.

STATE ASSOCIATION SECTION: *President*, Albert L.

Muench, secretary, New York State Bankers Association, New York City; *vice-president*, J. C. Scarboro, secretary-treasurer, Colorado Bankers Association, Denver. Mr. Muench succeeded Ralph Fontaine, executive secretary, Kentucky Bankers Association.

Convention Speakers

Speakers at the first general session included: President Shelton, Secretary Snyder, Governor Martin, and Mr. Gross. Program speakers at the final general session were Dr. Malott and Commander Cocke.

Speaking at the divisional meetings:

SAVINGS AND MORTGAGE: President Reckman; James C. Downs, Jr., president, Real Estate Research Corporation, Chicago.

STATE BANK: President McAdams; Dr. George S. Benson, president, Harding College, Searcy, Arkansas.

NATIONAL BANK: President Bucher; Comptroller Delano; Frederick V. Geier, president, Cincinnati Milling Machine Company; Arthur A. Smith, vice-president and economist, First National Bank in Dallas.

TRUST DIVISION: President Trott; Paul E. Farrier, vice-president, The First National Bank of Chicago; Clarence Manion, dean, University of Notre Dame Law School.

Delegates See a "Banking Class"

At an evening public relations session the delegates witnessed a stage demonstration of banker-teacher cooperation. On the platform of the hotel ballroom students from the Riverside-Brookfield School and their

The second session of the convention was a father-and-son observance. On the program were two sons of well known bankers. The former were Dr. Deane W. Malott, president of Cornell University, and Erle Cocke, Jr., National Commander of the American Legion. They are shown in this picture, Dr. Malott on Mr. Shelton's immediate left, and, next to him, Erle Cocke, Jr. Those in the rear row include their fathers—M. H. Malott, chairman, Citizens Bank, Abilene, Kansas, and Erle Cocke, Sr., president, Fulton National Bank, Atlanta





Presentation of the colors by the American Legion Post of the First National Bank of Chicago

teacher held a class in banking, with a banker—Moses Shaw, director of public relations, South East National Bank, Chicago—to answer their questions. The A.B.A. high school film, "Money Talks," was shown to the young folks. Speakers at this meeting of the convention included Robert Lindquist, vice-president of Chicago's LaSalle National Bank, and chairman of the A.B.A. Public Relations Council; Dr. F. L. Schlagle, superintendent, Kansas City (Kansas) public schools; and Frank M. Totton, vice-president, The Chase National Bank, New York City.

Appointments to Executive Council

President Cocke appointed to the Association's Executive Council for one-year terms: John S. Alfriend, president, National Bank of Commerce, Norfolk, Virginia; I. R. Alter, president, First National Bank, Grand Island, Nebraska; Calvin W. Aurand, president, Iowa-Des Moines National Bank, Des Moines; George R. Boyles,* president, Merchants National Bank, Chicago; John Carlander,* president, State Bank of Faribault, Faribault, Minnesota; Kenton R. Cravens, vice-presi-

The head table and part of the audience at the Agricultural Breakfast



dent, Mercantile Trust Company, St. Louis; A. J. Gock,* chairman of the board, Bank of America, N.T. & S. A., Los Angeles; Walter Kennedy,* president, First National Bank, Montgomery, Alabama; V. M. Lockwood, president, Howard National Bank & Trust Company, Burlington, Vermont; A. L. Lyons, Jr., executive vice-president and cashier, American Bank and Trust Company, Lewiston, Idaho; S. S. Shattuck, president, Miners and Merchants Bank, Bisbee, Arizona; and Ben H. Wooten, president, First National Bank, Dallas.

New Chairmen

Most of the chairmen of the Association's councils, commissions and committees have accepted reappointments. New chairmen include:

CREDIT POLICY COMMISSION: Fred F. Florence, president, Republic National Bank, Dallas, Texas, succeeding Kenton R. Cravens, vice-president, Mercantile Trust Company, St. Louis.

CONSUMER CREDIT COMMITTEE: Paul M. Welch, vice-president, Citizens & Southern National Bank, Atlanta, succeeding William W. McCarthy, vice-president, National Shawmut Bank, Boston.

COMMITTEE ON FEDERAL LEGISLATION: Rudolph E. Reichert, president, Ann Arbor Bank, Ann Arbor, Michigan, succeeding Claude E. Bennett, president, Tioga County Savings & Trust Company, Wellsboro, Pennsylvania.

Subcommittee on Federal Deposit Insurance Study: D. E. Brumbaugh, president, First National Bank, Claysburg, Pennsylvania, succeeding William K. Paton, chairman and president, Farmers Bank of the State of Delaware, Dover.

Subcommittee on Social Security: Wade R. Martin, vice-president, Livestock National Bank, Omaha, succeeding Mr. Reichert.

FINANCE COMMITTEE: W. Harold Brenton, president, State Bank of Des Moines, and vice-president of the Association.

A Sampling of the Speeches

Here are brief excerpts from some of the addresses made at various convention meetings:

PRESIDENT SHELTON: At a time when preparations for war have increased war expenditures to unprecedented heights, when inflationary pressures have taken away almost half of the purchasing power of the American dollar... is it too much to expect our representatives in the Congress to cut, curtail, suspend, and eliminate every possible dollar from nonmilitary domestic expenditures? I realize that public expenditures are often the result of demands and political pressure in support of them made on our representatives by various segments of our people. This a time when it is the patriotic duty of our people to forego such demands, and it is the patriotic duty of our representatives to resist and deny them if and when they are made... Even if we avoid an all-out war with Communist Russia, or even if such a war is forced upon us, and if we decisively win... if as a part of that effort we have converted our free political and economic systems into a regimented, Government-controlled, socialized system of statism, then we shall have lost the basic issue involved in our effort. How long does an emergency program have to continue before it becomes an established and regular

*Also appointed to the Administrative Committee.

procedure? How long will it take for a Government-regimented economy, established for the duration of a series of unending emergencies, to become the way of life of the American people?

SECRETARY OF THE TREASURY SNYDER: As the pressures of this defense program, the spending for equipment and for personnel and for the distribution of the personnel and equipment around the world grow, those pressures are going to take out of our civilian economy a great deal of labor and a great deal of the raw materials and the products which are going to bring a definite pressure of inflation when we consider the high level of national income that we have today. So the best insurance that we can possibly take out at this time is to encourage the largest possible volume of savings from these wage earners, from these folks with high levels of income today; and the person that discourages savings is definitely guilty of the worst form of inflation . . . The proper administration of credit . . . to you bankers, is a real responsibility. We don't like controls . . . But the best way to avoid those controls is for you to do a bang-up job in the credit field today. I know it is a tough job to pass up a good loan, a sound loan, and add to the earnings of the bank; but we have got to take a look at the future; and if that loan is for something that is less essential and would tend to bring inflationary pressures, then I think we have to have the courage and stamina to stand up and say "No."

GOVERNOR MARTIN: Our present central bank is now nearly 39 years old and the time has come, it seems to me, when we must re-evaluate, reassess, and redetermine its worth and effectiveness . . . The genius of the framers of the Federal Reserve Act lies in the creation of regional banks, knit together by a national governing body in Washington rather than in the establishment of a central institution with authoritarian powers . . . Through their boards of directors, the banks are in a position to represent the views and interests of the particular region to which they belong; and, at the same time, they are the administrators of nationwide banking and credit policies. Instead of functioning from the center outward, we function through an interdependence of all our parts. The lifeblood of the Federal Reserve System is in its members . . . No dictatorial powers were accorded it when it was set up. No dictatorial powers should it usurp. Within the framework carefully outlined by law, the Federal Reserve Board is charged with the responsibility for formulating national credit policies and supervising their execution. The System is certainly not perfect, but it is unquestionably the main bulwark of our private banking system. Without a strong and independent central bank, private banking must inevitably lose the initiative it now possesses. Too few bankers seem to appreciate this fact . . . It was never more important than now for the central bank to understand and cooperate with commercial banks and for commercial banks to understand and support the central bank.

COMPTROLLER DELANO: Internal audits are not limited to big banks which contain a force for that purpose. A small bank can also do a very good job by ingeniously seeing that its officers and its personnel are all cross-checked with other officers and personnel in their duties, by also asking for enforced vacations, by adequate surety bond coverage . . . There appears to be an increase in the number of defalcations. In bank examinations the primary function of bank examiners is to appraise assets, management and see that the laws are generally obeyed. However, we do, of course, wherever we can find it, seek out and attempt to punish dishonesty wherever it exists. We are working with you on this matter. We are strengthening our techniques, improving our methods all the time in all matters relating to bank examination, including those of the detecting of fraud, but I think you can give us a big help.

NATIONAL BANK DIVISION PRESIDENT BUCHER: Here is my conception of what the responsibilities of a good banker



Part of the audience at the State Association Section meeting

should be for the ensuing year: (1) Live up to the principles of the Voluntary Credit Restraint Program; make credit available where needed for defense and essential civilian purposes, but discourage speculative borrowing. (2) Encourage the practice of thrift on the part of your customers; support 100 per cent the U. S. Treasury's "E" Bond program. (3) Preach economy, practice economy; and inform your municipal, state, and Federal governmental representatives that you demand economy in government . . . Courage, integrity, vision, and forceful action must be the characteristics of a good banker during this period of uncertainty in domestic and international affairs.

SAVINGS AND MORTGAGE DIVISION PRESIDENT RECKMAN: We have said again and again that it is our free way of life that gives us both spiritual and material superiority over Russia and communism. Yet, when the crucial test between these two philosophies is imminent, we apparently feel compelled to adopt their system in order to prove that ours is best. We feel compelled to reject freedom and embrace the communist idea of a planned economy and a controlled people. Thus we surrender in the most vital battle, the battle of ideas, even before a shot is fired! Is it not amazing as well as alarming that the American people, living in the midst of plenty, would now be willing to embrace another kind of system? Yet this is exactly what is happening. The American economy is rapidly changing into a system that has brought starvation and suffering to the rest of the world . . .

STATE BANK DIVISION PRESIDENT MCADAMS: "We the people" may be responsible for much of the drift from democratic ideas to a socialist state. How many of us have contacted one or more members of the legislative branch of our Government, giving our views on subsidized lending? Who among us have expressed indignation over the birth of an array of Federal corporations subsidized by the Treasury, operating in competition with privately owned business enterprises financed with private capital, all subject to increasing regulations and a tax burden which often results in expressions of despair? Some members of the Congress with whom I have talked seem to think the people want a welfare state—their conclusions cannot be otherwise since their mail is overwhelmingly from the pressure groups making demands for more and larger gifts, doles, subsidies, tuitions, unemployment benefits, etc. . . . We need to ask ourselves, "Where is this program of governmental socialistic benevolence leading us and what will be the ultimate cost in money and in freedom?"

TRUST DIVISION PRESIDENT TROTT: We must recognize the

many and varied problems that confront us. The greatest and most far reaching of these problems is in my opinion the defense of the dollar. Surely, we who are engaged in handling the property of others should be aware of the seriousness of the situation. A stable currency is necessary to a sound economy, and a sound economy in this country is necessary to the preservation of the free world. The shrinking value of the dollar must be stopped if the trust business is to grow and prosper. It is incumbent upon us to do our part by asserting our powers of leadership in educating the people of our respective communities to the necessity of curbing inflationary forces.

DR. DEANE W. MALOTT, "THE WORLD ON YOUR DOORSTEP": Only the sentimental "do-gooder" would suggest that we solve the problem of the underprivileged races, spread over the vast areas of Asia and Africa, by gifts from the rich resources of America. We have neither enough money, enough skilled technicians, nor enough raw material resources to bring satisfaction to those millions of struggling people. We should go down to bankruptcy in any such attempt. Nor can we bring economic, political, and social salvation to those great Asiatic centers of world destiny, by encouraging private enterprise under our free enterprise system. Private enterprise cannot enlist its stockholders' property to provide literacy, good roads, better health and hygiene, or stable governments to peoples on the far side of the world. It cannot be done by imperialism because the shackles have been loosened, and these people and their leaders have glimpsed a way of life in which they will no longer be subservient to foreign domination and to a foreign government's control. Our aid and responsibility, therefore, is to help through a cooperative, friendly program, whereby capitalistic nations and newly awakened peoples work together, in a program which has some chance of eventual success, in filling stomachs and in alleviating misery. This need be no sketchy and idealistic program, but can be implemented specifically by us. Assuredly it does not mean cramming our form of government and our way of life down the throats of other nations and other peoples. We can furnish them some scientific and technical help. We can cooperate to broaden the educational opportunities for their nationals in our institutions of higher learning. We can extend limited and emergency help to start their ventures. We can firmly announce our belief in their rights to freedom and self-determination. This latter is the most important step of all. . . .

ERLE COCKE, JR., "U. S. AND THE WORLD TODAY": I believe the time has come not only for a reappraisal of our economic give-away policy but for a realization that it must

At the style show given for women visiting the convention



be terminated by a definite date. It is said that such a move would turn all Europe against us. That is a naive and mischievous notion. Those people do not cherish our patronage; they are human as we are, and they want nothing more than to be out from under our dominance—standing on their own feet as equals. But being human, they also will not kill the golden goose. So long as Uncle Sam is an RFC for the world, they will continue to draw on it—and their own initiative cannot help but suffer in the process. The Marshall Plan has reached the point of diminishing returns. It has run the course prescribed for it. If the results are less than desirable in some areas, chances are a 100-year Marshall Plan would not do the job. . . . There is no question about our capacity for continuing heavy economic aid for several years more. We have what it takes to carry on a large scale military aid program. But we cannot safely undertake both burdens at the same time. . . . We should serve notice on all of our partners that the era of wholesale handouts is over. We should explain, without apologizing or gloating, that future American policy in this regard must conform to certain facts of American life. Among these, and most important, is the good health of our own national economy.

ROBERT E. GROSS, "WHAT PRICE AIR POWER—ARE WE GETTING OUR MONEY'S WORTH?" The reasons airplanes cost so much more today than ever before are three: (1) All of our normal elements of cost are up; (2) today's airplane is different and is two to three times the airplane that World War II's airplane was; (3) we practically stopped building any airplanes in 1945, 1946 and 1947. . . . When then will the American people learn that steadiness in moderation rather than enormity in a crisis is better and cheaper? Air power is expensive enough in itself; but when we add to it this insane cost of stopping and starting, we do two things: first, we run the cost up into the stratosphere; second, when we let our guard way down, we lay ourselves open to world attack, and the money we think we save in so-called fair weather we have to quadruple to dig us out of foul. . . . These \$30-billion-a-year crises would never come up if we keep our guard up all the time. A modest-but-steady, long range air program would have given us a running start in emergencies such as this one today. It would have permitted the industry to hold together some of its highly skilled work team in the lean years. It would keep both the industry which builds the planes and the Air Force which uses them stripped down, clean, up-to-date, and ready to go. . . . Finally, a long range air program would support the constant research and development necessary to produce airplanes of the future. . . . Enact and support this long range air program and I can bring you great promise of wondrous things that can and will be done.

FREDERICK V. GEIER, "THE WELL SPRINGS OF PROFIT": There has been a renewal since World War II of the tendency to allow machine tools to grow old and rust away, in spite of the decidedly more productive new-design machines developed since the war. Why has America failed to keep its productive equipment up to date? Three accounting and financial practices operate to discourage and defer replacements. Briefly stated, these are: (1) unrealistic low depreciation rates; (2) unwillingness to discard partially amortized machines; and (3) classifying productive profit-creating machinery as a fixed or permanent asset.

JAMES C. DOWNS, JR., "MORTGAGE FINANCING DURING 1952": Basic mortgage financing demands in 1952 will be greater than the average of the past 10 years. . . . The next year will see a record number of potential property users of all types. Both business and individuals will have peak purchasing power and a high capacity to support mortgage loans. The sharp decline in mortgage activity during the past few months was not caused by any change in the demand for mortgages, but rather by a radical and arbitrary shift in the mortgage money market. As is always true in a managed economy, the regulations which were adopted



Thousands of convention delegates visited the educational displays of bank equipment and services

turned out to be an overcorrection... Up to now there has been no real shortage of materials for home construction, even at the high rate of building which has marked the past few months. Whereas certain metals will be in short supply and others will be restricted, neither of these factors will cause major curtailments in single-family home starts... Johnny Public has not by any means lost his confidence in the U. S. dollar. During the past several months, he has saved more of them for future use than he did for many months. Classically, one of the prime objectives of the U. S. saver is to buy or pay for his home.

ARTHUR A. SMITH, "THE BEHAVIOR OF MONEY": It appears that we have reached the stage where we are using the money device for our economic ills like some people use stimulants for their physical ills. Greatest danger is that the underlying real causes of the trouble will not be corrected, and we shall continue the doping until it is too late to stop taking it. Certainly we know that our experience in recent years bears out the analogy. The dose of stimulation has had to be increased to get the same results that smaller applications produced before, until we have now arrived at the point where the vicious spiral cannot be stopped because the patient is unwilling to take the cure. In fact, it begins to look as if he is not only unwilling, he is unable to take it. To stop the dosages would assuredly be unpopular. Therein lies the fundamental weakness of monetary management—and it always will be in a democratic nation... Whereas under the gold coin standard there was a deflation bias, under the money system now in effect there is definitely an inflation bias which stems no more from the system itself than from the will of those who dominate the political force behind it. The value of money may easily become a plaything of politics, if it is not already.

ALLAN B. KLINE: There is rising demand for farm products, but there is also some real question whether or not farmers are to have access to that demand—there is the danger that price controls may prevent consumers from guiding production. We have all heard price controls touted as a remedy for inflation. There is a great deal of fraud in the idea that price controls can effectively solve the problem. Actually it is not only possible but politically far more comfortable to have inflation with price controls than

without them. Price controls disguise the symptoms of inflation; they provide no real cure. Under price controls, people are led to believe they are getting rich while distribution by means of ration coupons is supplanting the free use of money... We have a dual approach to defense. One is our military strength. The other is our productive capacity. The latter is as important as the former; and, in my opinion, it depends on the individual freedom which is impossible under price control.

DR. GEORGE S. BENSON, "THE NATIONAL BALANCE SHEET": We aren't doing a half job today selling our employees and selling our own children on the fact that they're getting on much better in America than they could be in any other country in the world, nor are we selling them on what it is that makes our American way of life tick. If we'll do these two things, our way of life will not fail: (1) Sell an oncoming generation on the measure of their advantages; (2) sell an oncoming generation on what it is that makes America tick.

CLARENCE MANION, "FAITH AND TRUST—A SUBJECT AND A PREDICATE": With a replenished fund of our revolutionary faith, we could not merely defeat the Russians, but we could recapture our ancient liberties, restore American self-government, and convert the world. We shall revive our trust in God and, therefore, in man—or we will be ruled by tyrants. If we deliberately reject the return to faith and resort instead to the only alternative—namely, tyrannical government—then certainly we should appease, rather than fight the communists, because in fact they will have conquered us before they start. The key to the safety and peace of our beloved country is to be found in a national revival of faith. In this great and patriotic enterprise it seems to me that the good works of trust officers and the good words of the trust departments could and should be a mighty and effective force.

An article on Vice-president Brenton appears on page 72. Biographical sketches of Treasurer Gladney and the new division and section presidents are on pages 74 and 75.

Meet the New VICE-PRESIDENT

"A BANK'S first obligation is to help make a happy, prosperous community." This quotation from W. Harold Brenton, new vice-president of the American Bankers Association, about sums up his ideas as to the responsibilities of banking and business in general. Mr. Brenton comes from Des Moines, Iowa, where he maintains headquarters for the supervision of a variety of interests and activities. They include active management of 11 banks, a directorship on the board of an international business enterprise, management of extensive farm properties, and trusteeships on the board of a college and a hospital, besides several other civic organizations.

To review his history briefly, Mr. Brenton was born in Dallas Center, Iowa. He was graduated from Iowa State College with an A.B. degree in 1920, and immediately entered the banking business at Dallas Center. Today he is an active president and director of 11 Iowa "Brenton banks," making his headquarters at the State Bank of Des Moines.

In 1929, he was elected vice-president of the Iowa-Des Moines National Bank, was president from 1931 to 1934, and remains director of that institution. In 1934, he moved to Minneapolis to be vice-president, treasurer, and director of the Northwest Bancorporation. However, through those years he maintained his residence at Dallas Center and had an active interest in Iowa affairs. In 1941 he returned to Iowa to assume the active management of his business enterprises.

Today the 11 "Brenton banks" serve a large area in central Iowa, and range in size from the Jefferson State Bank with \$5,200,000 in assets, to the Eagle Grove National Bank with assets of less than \$1,000,000. The newest of the Brenton group is the Des Moines State Bank in Beaverdale, a suburb of Des Moines. All the rest are strictly country

★
Mr. Brenton receiving the congratulations of his friends after the convention session at which he was elected vice-president
★



banks serving agricultural communities. Their combined deposits are approximately \$35,000,000, their loans aggregate \$15,800,000, their bond portfolio is over \$14,000,000, and their total capital structure is \$2,400,000. Mr. Brenton is an active executive officer in each bank and spends at least one day a month at each. He knows the banks' neighborhoods, customers, and businessmen in each trading area.

THEN there are 12 Brenton farms in which he shares the management. They range from small, single plots up to 1,920 acres. Their 6,500 acres are devoted to the production of hogs and cattle. All the grain produced is used as feed.

Mr. Brenton spends one day of each month in Chicago, for he is a director of Swift and Company. He is a trustee of the National Committee for Economic Development. In Iowa, he gives his time as trustee of Grinnell College at Grinnell, Iowa, Methodist Hospital in Des Moines, Iowa Economic Council, and Good Government Association of Des Moines.

Mr. Brenton has a thorough background in the banking business. His apprenticeship was served in the bank at Dallas Center and gradually he worked his way up through all its operating and management departments. From this experience he has evolved a personal philosophy which is wholesome and wholly Middle West American. He says:

"Take your customers as they are; don't try to make them over."

"When you don't know which way to swim; turn towards shore."

"If somebody working for you makes a mistake, don't correct him before other people; wait and talk it out with him man to man alone."

Mr. and Mrs. Brenton have seven children—four girls and three boys. Two of the boys are serving their apprenticeship in banking.

The outstanding characteristic of the Brenton enterprises is team play. Each manager and key employee is expected to assume responsibility and to be able to stand on his own feet. The managers meet once a month to exchange experiences and

(CONTINUED ON PAGE 76)

Defense...Inflation...Spending...Credit

Here are the resolutions on public affairs adopted on October 3, 1951, by the American Bankers Association at its 77th annual convention in Chicago. The chairman of the Resolutions Committee was W. Randolph Burgess, chairman of the executive committee, The National City Bank of New York.

THE AMERICAN BANKERS ASSOCIATION pledges its support to the great non-partisan program for increasing the nation's armed strength. This country must be strong to promote peace and preserve a democratic civilization, a civilization which is devoted to freedom and opportunity for the individual man. This nation must be ready to seek this objective with firmness and patience, with humility and without giving provocation.

To this end the nation must cherish its economic strength as well as build its military strength, for we face a long struggle, the result of which depends as fully on an orderly and just economy as on the force of arms. Economic weakness could undermine our security as truly as could deficiencies in arms.

Our economic strength is now threatened. In the past year we have suffered one of our history's severe inflations interrupted only by the current breathing spell. Our present Government and private programs now threaten the resumption of inflation. We have been and are now trying to do too much at one time, for we are coupling a huge military and foreign aid program with continued national, state, and private spending excesses which breed deficit financing by Government, business, and individuals.

Overspending in all these directions at once exhausts critical raw materials, strains the seams of the economic fabric, builds up bureaucratic controls, imposes inordinate and destructive taxes, works injustice to millions of our people, and impairs the freedoms we are seeking

to defend. The American productive machinery has performed marvels, but we shall slow its operations if we overload it.

The only realistic corrective is restraint in public and private spending and this is a job for the Administration, for Congress, and for all the people.

WHILE MILITARY SPENDING has priority in times like these, even this spending requires scrutiny. We cannot safely allow the military alone to determine military spending. There should be an informed and critical check on military appropriations such as the suggested watchdog committee of Congress. We cannot afford waste of money or critical materials or extravagance in our military program. Even more compelling is the need to scrutinize foreign aid.

The expenditures of the Federal Government—other than for national defense—as shown by Treasury reports—have increased from \$2.5-billion in 1930 and \$7-billion in 1940 to \$25-billion in 1951. The budget estimates for 1952 and preliminary figures for 1953 show no reduction. Even after full allowance for changes in the buying power of the dollar, the non-defense expenditures of the national Government are excessive in today's economic crisis. Methods must be found for reducing such extravagance.

We approve and commend the effort to balance the Federal budget through the passage of three tax bills since Korea. At the same time we recognize the destructive effects of such heavy taxation on the country's economy. Looking forward we must seek ways to reduce the need for these taxes by reducing expenditures.

WHILE GOVERNMENT SPENDING is largely responsible for the country's economic congestion, private spending must take its share of the re-

sponsibility. The public has been on a spending spree in anticipation of inflation, thereby compounding inflation, and business has been rebuilding its plants and equipment at a tremendous pace, partly to meet defense requirements but partly for non-defense purposes. Private spending must thus be ready to subject itself to the same kind of restraints as we ask of government.

One sound and demonstrated way of restraining excessive spending has been through bank of issue policies. We commend steps taken for restraining credit under agreement between the Treasury and the Federal Reserve System. It is essential that the integrity and freedom of the Federal Reserve System should be preserved.

THE BANKS OF THIS COUNTRY have recognized their responsibility and have taken leadership in instituting a program in the American tradition for voluntary credit restraint. The record shows that through this means an important influence has been exerted in educating and persuading both borrower and lender as to the need for keeping credit within bounds. This Association asks the continued conscientious cooperation of lenders and borrowers in carrying out this program.

Government lending agencies should be subject to the same tests as banking is imposing on itself. Banks are meeting and are prepared to meet the essential credit needs of large and small business and agriculture while conforming to the principles of the credit restraint program.

Another form of restraint of spending which is peculiarly within the bankers' province is the encouragement of thrift so that much of the money created in this great boom may be saved rather than spent. This Association asks all bankers to re-examine their facilities for encour-

(CONTINUED ON PAGE 76)



WILLIAM B. GLADNEY
TREASURER, AMERICAN BANKERS
ASSOCIATION

WILLIAM B. GLADNEY, president of the Fidelity National Bank of Baton Rouge, Baton Rouge, Louisiana, is a native of Natchez, Mississippi. He is a graduate of Ouachita Parish High School, Monroe, Louisiana, and of Wake Forest College, class of 1918.

Mr. Gladney began his banking career in summer vacations during his school days and worked in three different Louisiana banks. Returning from military service in World War I, he became assistant cashier of the Citizens National Bank, Monroe, Louisiana, and continued with that title in the succeeding institution when the Citizens National was absorbed by the Ouachita National Bank. In 1926 he became vice-president of the Bastrop (Louisiana) Bank and Trust Company. In 1938 he was elected executive vice-president of the Fidelity Bank and Trust Company at Baton Rouge, and in 1944 was elected president of the bank which is now the Fidelity National.

Mr. Gladney has been active in local and national bank association affairs. He was an organizer of the First Regional Clearing House Association of Louisiana in 1927 and later served as president of the clearing house. He has worked on various committees of the Louisiana Bankers Association. In 1934 he was elected vice-president of that association and in 1935, president.

Mr. Gladney was a member of the A.B.A. Insurance and Protective Committee for several years and chairman of that Committee from 1937 until 1944. He has served two terms on the A.B.A. Executive Council. In the National Bank Division, he served on the legislative committees, was chairman of

the Division's Executive Committee in 1947-48; vice-president of the Division in 1948-49; and president in 1949-50.

CHARLES H. BUESCHING
PRESIDENT, NATIONAL BANK DIVISION

CHARLES H. BUESCHING, president of the Lincoln National Bank and Trust Company, Fort Wayne, Indiana, is a native of Fort Wayne. He joined the Lincoln National in 1906 as a messenger, advancing through various departments and becoming executive vice-president in 1927 and president in 1928.

Mr. Buesching was president of the Indiana Bankers Association from 1945 to 1947 and was chairman of the Indiana Regional War Savings Bond Committee during World War II.

In the American Bankers Association, he has been a member of the Subcommittee on Section 5219 U. S. Revised Statutes since 1949 and Indiana

Mr. Buesching



Treasurer and Five Presidents

*The Men, Elected at Chicago, Who Will
Help Direct A.B.A. Affairs in 1951-52*



State Chairman, Treasury Savings Bonds Committee since 1946. In the National Bank Division, he served on the Committee on Real Estate Loans in 1947-48; the Committee on Relations with Federal Agencies, 1949-50; the Federal Legislation Committee, 1947-51, being chairman in 1950-51; and on the Executive Committee 1947-51, being chairman in 1950-51.

JOSEPH EARL PERRY
PRESIDENT, SAVINGS AND MORTGAGE
DIVISION

JOSEPH EARL PERRY, president of the Newton (Massachusetts) Savings Bank, was born in Shelburne Falls, Massachusetts. He is a graduate of Williams College, class of 1906, and holds a B.B.A. from Boston University School of Business Administration and an LL.B. from Harvard Law School.

Mr. Perry was admitted to the bar in 1908 and has practiced law ever since. He was Massachusetts income tax assessor from 1916 to 1920, a member of the state legislature from 1925 to 1930, and commissioner of banks for Massachusetts and chairman of the State Board of Bank Incorporation from 1940 to 1944. In the latter year he was elected president of the Newton Savings Bank.

In the American Bankers Association, Mr. Perry was a member of the Committee on State Legislation from 1944 to 1947; of the executive committee of the Savings and Mortgage Division from 1947 to 1950; and of the Subcommittee on Model State Banking Code from 1944 to 1950. He was chairman of the Association's Savings and Mortgage Development Committee from 1947 to 1950 and has been a member of the Savings Text Committee since 1949.

He is president of the Newton Bank-



Mr. Perry

ers Association and has also served on various committees of the Massachusetts Savings Banks Association and the National Association of Mutual Savings Banks. He was president of the National Association of Supervisors of State Banks in 1943.

GUY STURGEON

PRESIDENT, STATE BANK DIVISION

GUY STURGEON, president of the Bank of Commerce, Sheridan, Wyoming, was born in Yale, Kansas, but moved to Sheridan at an early age. He was first employed in the Bank of Commerce early in 1918. Later that year he entered the University of Nebraska, but soon after enlisted in the Army. Following his return from the service in 1919, he rejoined the bank.

He has served the Bank of Commerce in a number of positions, including assistant cashier and trust officer, cashier, and also as executive vice-president.

Mr. Sturgeon



Mr. Sturgeon is a past president and member of the Executive Council of the Wyoming Bankers Association, and is now president of the Independent Bankers Association.

He was a member of the Executive Committee of the A.B.A. State Bank Division in 1948-49; chairman of the Committee, 1949-50; and vice-president of the Division, 1950-51.

JOSEPH W. WHITE

PRESIDENT, TRUST DIVISION

JOSEPH W. WHITE is vice-president of the Mercantile Trust Company, St. Louis.

Mr. White, a native of St. Charles, Missouri, holds an LL.B degree from St. Louis University. He joined the Mercantile-Commerce Bank and Trust Company of St. Louis in 1908, and was successively assistant trust officer, trust officer, and vice-president. On September 4, 1951, the Mercantile-Commerce Bank and Trust Company and the Mississippi Valley Trust Company merged into the Mercantile Trust Company of which he is now vice-president.

He was a member of the faculty of St. Louis University for 21 years, taught in St. Louis Chapter, American Institute of Banking, and has been a lecturer for the Carolina Bankers Conference. He is now a member of the faculty of The Graduate School of Banking, conducted by the A.B.A. at Rutgers University. He is a past president of the Corporate Fiduciaries Association of St. Louis.

In the A.B.A., Mr. White was a member of the Executive Committee of the Trust Division from 1947 to 1950, chairman of that committee in 1949-50, and vice-president of the Division in 1950-51. He also served on the Trust Policies Committee and the Committee on Relations with the Bar, and was chairman of the Life Insurance Trust Committee.

ALBERT L. MUENCH

PRESIDENT, STATE ASSOCIATION SECTION

ALBERT L. MUENCH, secretary of the New York State Bankers Association, is a native of Jersey City, New Jersey. He holds a Pre-Standard Certificate of the American Institute of Banking and was graduated from The Graduate School of Banking in 1944 in the commercial banking course.

He began his business career with the Railroad Cooperative Building and Loan Association of New York City in 1925. From 1928 to 1936 he was assistant secretary of the Washington Irving Trust Company in Tarrytown,



Mr. White

New York. From 1936 to 1940 he was manager and secretary-treasurer of the Westchester County Clearing House Association, White Plains. In 1940 he became assistant secretary of the New York State Bankers Association, and in 1943 secretary.

In the NYSBA Mr. Muench is assistant secretary of the Retirement System; director of the Bankers School of Agriculture and the Graduate Bankers Agricultural Seminar at Cornell University and of the Bankers School of Public relations at Syracuse University; chairman of the board of trustees of the Insurance Fund; and trustee of the Disability Benefits Insurance Fund.

In the A.B.A. Mr. Muench has been on several committees of the State Association Section, including the Executive Committee in 1949-50. In 1948 he was president of the Eastern States Secretaries Conference. He has been on the Executive Committee of the A.B.A. Committee on Federal Legislation since 1947.

Mr. Muench



Senator Robertson Pays Tribute to President Cocke

A TRIBUTE to C. Francis Cocke, new president of the American Bankers Association, was paid on the floor of the United States Senate by Senator A. Willis Robertson of Virginia, a member of the Banking and Currency Committee. He said:

"Along with all other Virginians, I am proud of the election of Mr. C. Francis Cocke of Roanoke as president of the American Bankers Association."

"It is not only the highest honor that can come to any banker but is a position of tremendous power and responsibility. In any socialistic or communistic state one of the first moves is to control the banking and issuance of currency. Those who are not familiar with the vital part which private bankers play in the maintenance of the American system of free, competitive enterprise and of economic freedom as a handmaiden of political freedom do not fully appreciate the wisdom of Woodrow Wilson and Carter Glass in the establishment of the Federal Reserve System. Many private bankers opposed

that legislation when it was first presented, but without it there is doubt as to whether the private banking system of America could have survived the last depression, or a future depression, which will be inevitable if a firm check is not placed on future deficit financing.

"It has been my pleasure during recent years, as chairman of the Federal Reserve Subcommittee of the Senate Banking and Currency Committee, to work with Francis Cocke on numerous bills affecting the Federal Reserve Board and the private banks of the country. He has exhibited a commendable grasp of the banking and economic problems confronting us. His views are fundamentally sound and his pleasing personality facilitated his task of reconciling conflicting views."

For several years Mr. Cocke, president of the First National Exchange Bank, Roanoke, was chairman of the A.B.A. Committee on Federal Legislation. The Senator's remarks were published in the *Congressional Record* for October 4, 1951.

New Vice-president

(CONTINUED FROM PAGE 72)

ideas, and from these meetings policy is formulated.

The Brenton enterprises are constantly on the outlook for outstanding young people. Young men graduating from Ames and other

agricultural colleges may find an opportunity in the organization.

"If the boy shows promise and his background, training, and thinking are largely agricultural, we will make a job for him and then it is up to him as to how high he goes in our organization," Mr. Brenton once said.

The vice-president's wife, *right*, with son William Henry and his wife. Oldest of the Brentons' three sons, William Henry is an assistant cashier at the State Bank of Des Moines



Defense . . . Inflation Spending . . . Credit

(CONTINUED FROM PAGE 73)

aging savings. We again pledge our support of the Treasury's Savings Bond program. In the sale of these bonds the Government and the people incur an obligation to maintain their value in terms of purchasing power. To the extent that Government debt can be placed in the hands of non-bank investors we avoid its inflationary influence on expansion of bank credit.

OUR OBJECTIVE AS CUSTODIAN of people's money is to preserve the value of the American dollar. We commend the emphatic statement by the Secretary of the Treasury that the value of the dollar must remain tied to gold through the maintenance of the present gold price of \$35 an ounce. We look forward to the day when gold can play a still more direct and effective part in the stabilization of money.

The success of all these efforts will depend not so much on resolutions passed here, as on what is said and done by bankers and the people in their own communities.

Will Christmas carols sound like the blues this year?

All the talk about a Christmas savings plan bringing in new customers was music to your ears. But have you come across some sour notes?

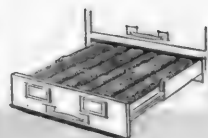
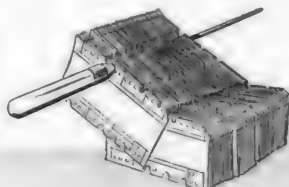
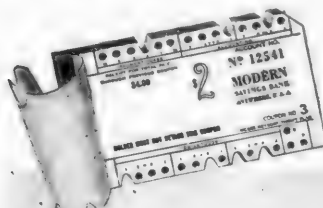
Unless you had a good, practical system for handling your Christmas plan, you probably ran into high clerical and accounting costs. Not to mention annoyed customers—with loss of good will—and harried tellers.

But by using pre-punched Keysort coupons as deposit slips, a bank can operate a Christmas plan *without* any special tellers, *without* any stamp inventory accounting and pasting, *without* passbook posting. Customers are spared long waiting lines and tellers aren't saddled with a lot of irksome detail.

Beginning next month, more than ten million Americans will again begin squirreling away money for next year's Christmas shopping. They'll save over a billion dollars in Christmas savings plans. And if next year is anything like this year, close to one third of those dollars will wind up in permanent accounts. Many of the special depositors will become regular banking customers.

That's worthwhile business, and smart bankers are actively bidding for it with intelligent Christmas savings plans. They're handling those plans with modern, low-cost McBee Keysort.

Ask the McBee man near you to put *your* Christmas savings plan on a trouble-free basis. Or write us.



Just sort.....count.....and file!

THE McBEE COMPANY

Sole Manufacturer of Keysort—The Marginally Punched Card
295 Madison Avenue, New York 17, N. Y. Offices in principal cities
The McBee Company, Ltd., 11 Bermondsey Road, Toronto 13, Ontario

BANKING NEWS

Protective Committee Seeks Remedy for Bank Theft Loss

J. Edgar Hoover Offers Advice to Banks-Public

About the same time that FBI Director J. Edgar Hoover was registering concern over the mounting number of bank robberies and urging bank management to take positive steps to curb the wave of embezzlements, the Insurance and Protective Committee of the American Bankers Association was meeting in Chicago to consider measures to prevent these losses.

During the last year there was an upward swing in the number of burglaries and hold-up robberies perpetrated against banks. Forgery losses reported also rose; however, the Committee's greatest concern is with the increase in excessive amounts of embezzlement losses uncovered by banks during the year.

At the conclusion of its meeting, the Committee declared that "the rash of bank shortages demands reexamination and deep probing into audit procedures and control by the senior officers of all banks and especially the directors of the smaller banks. Since many of the excessive shortages in the one-man banks are perpetrated by the one man in charge, nothing short of rigid examinations by the directors offers any promise of improvement."

Conference Asked

The seriousness of the situation has prompted the Committee to ask for a joint conference with the three Federal supervisory agencies to discuss better ways and means of preventing bank defalcations, or at least to assure early discovery of such losses.

Harry F. Harrington, vice-president, The Boatmen's National Bank, St. Louis, is chairman and James E. Baum is the A.B.A. deputy manager in charge of the Insurance and Protective Committee.

Director Hoover recommends that banks:



Chairman James H. Kennedy

"(1) Have a system of dual control. No one individual should handle transactions from the receipt of funds to the entry of the bank's liability on the books.

"(2) All employees, particularly bookkeepers and tellers, should be required to take periodic vacations. This will aid in the maintenance of the bank's dual control.

"(3) Investigate the qualifications of an employee before hiring him, and in the event he later shows affluence beyond his income, ascertain the source of his funds.

"(4) Outside auditors should be called in to make audits and test checks at irregular intervals.

"(5) Bank officials should immediately advise the FBI of any violations, coming to their attention, of the banking laws within the investigative jurisdiction of the FBI."

The number of defalcations uncovered during the first eight months of 1951, according to Mr. Hoover, rose to 533, compared to 491 in the same period of 1950.

Mr. Hoover also had some suggestions as to how the public can aid in discovering defalcations, as follows:

"(1) If there is anything wrong with your bank statement, report it immediately to a responsible officer of the bank.

"(2) Note if there is a variance between the dates appearing on your statements and the dates the deposits were made.

"(3) In the event your account in the bank has been dormant over a long period, ask for a statement.

"(4) Be sure you always make out your own deposit slip and include the date."

Bank Management Commission Meets November 14, 15, 16

Make Year's Plans at Annual Session

The Bank Management Commission of the American Bankers Association will meet in executive session on November 14, 15, 16 at the Hotel Gunter in San Antonio, Texas. This is not an open meeting, but rather the annual meeting of the Commission, when it reviews the work of the past year and lays its plans for the year to come.

Commission Chairman James H. Kennedy, who is vice-president and cashier, Philadelphia National Bank, will discuss with the group a number of projects which are still in progress including new booklets and books, or revisions of earlier ones, on: Cost accounting, deferred posting procedure, investment booklets (revision), night depository procedure, manual on opening new accounts, safe deposit procedure, account analysis, simplified banking forms and procedure.

Agenda Items

Also to be considered at the meeting are a revision of the bank endorsement stamp, check standardization and simplification, Federal tax payments into tax and loan accounts, insurance company claim drafts, uniform coupon envelopes.

In going over the projects completed during the past year, the Commission will review these accomplishments: During the year the revision was published of the manual on "Aids and Suggestions for Improving Bank Operations"; a new publication is "Bank Personnel and Records Protection Guide." It will discuss the use of its new standard credit inquiry form which hotels can send to banks requesting credit information. The group will go over its activity on ceiling price regulations as applied to banking services. It will reconsider its policies

Public Relations Workshop to be Held Minneapolis Nov. 1-2

The fifth in a series of public relations workshop meetings will be held at the Nicollet Hotel in Minneapolis on November 1 and 2, according to announcement by Robert Lindquist, vice-president, La Salle National Bank, Chicago, and chairman of the Public Relations Council of the American Bankers Association.

State bankers association officers, including secretaries, and public relations committees in Wisconsin, Minnesota, North Dakota, and South Dakota have been invited to the workshop for a discussion of public relations programs of the state associations and problems confronted in acquainting the public with bank services and the contributions made by banks to community progress and betterment.

Advance registration for the workshop indicates an attendance of about 50.

on policing of corporation accounts and return item wire advices.

Approximately 1,200,000 copies of the Commission's leaflet, "Your Biggest Bargain," were distributed during the year to banks who sent them to their customers to explain service charges. Use of the leaflet will be reviewed. The work on the check routing symbol is a regular, continuing activity. There will be discussion of the new Postal Money Order form devised in cooperation with the Federal Reserve System, which is proving so helpful to the public, to the banks, and to the Federal Reserve.

The foregoing is not a full tabulation of projects completed or in progress, but is indicative of the work that will be gone over by the Commission at its three-day meeting.

James H. Kennedy, vice-president and cashier, Philadelphia National Bank, is chairman and Melvin C. Miller, deputy manager, A.B.A., is secretary of the Commission.

Speakers Announced for Fourth National Credit Conference

**Convenes in Chicago
on December 3, 4, 5**

The National Credit Conference of the American Bankers Association at the La Salle Hotel, Chicago, on December 3, 4, and 5, will hear from leaders in industry, government, and finance.

The program is designed to cover all aspects of the current credit situation, with emphasis on two serious responsibilities of bankers: (1) To finance the ever-increasing demands of defense; and (2) to restrain credit for nonessentials, thereby aggravating inflationary pressures.

Speakers

About half of the speakers have been announced as BANKING goes to press. They are:

C. Francis Cocke, president A.B.A.; president, First National Exchange Bank, Roanoke, Virginia—*The Association's Viewpoint*.

Paul M. Welch, chairman, Consumer Credit Committee, A.B.A.; vice-president, Citizens and Southern National Bank, Atlanta, Georgia—*Consumer Credit in our Present Economy*.

Ross D. Siragusa, president, Admiral Corporation, Chicago—*The Electronics Industry*.

Jesse W. Tapp, member, Agricultural Commission, A.B.A.; executive vice-president, Bank of America, San Francisco—*Agricultural Credit*.

Edwin P. Nilan, chairman, Committee on Service for War Veterans, A.B.A.; vice-president and secretary, Security Trust Company, Wilmington, Delaware—*The Credit Requirements of Veterans*.

Theodore W. Johnson, vice-president, Security-First National Bank, Los Angeles—*Financing Defense*.

Oliver S. Powell, member, Board of Governors of the Federal Reserve System—*The Voluntary Credit Restraint Program*.

E. C. Sammons, chairman, Credit Policy Commission, A.B.A.; president, United States National Bank, Portland, Oregon—*The Current Credit Outlook*.

Vincens, Townsend Advances Announced By Harold Stonier

The advancement of John R. Vincens to assistant secretary of the Committee on State Legislation, and Dwight J. Townsend to assistant director of the News Bureau of the American Bankers Association has been announced by Dr. Harold Stonier, executive manager of the A.B.A.

Mr. Vincens joined the staff of the Association in 1947, since which time he has been an assistant counsel on the legal staff and editor of BANKING'S "Bank Law News." He is a member of the New York and Massachusetts bars and has specialized in banking law and legislation.

He is a graduate of Dartmouth College and before turning to law was a newspaper man and editor of the *Brookline Citizen*. He is a native of Brookline, Mass. After graduating from the Law School of Boston College, Mr. Vincens engaged in the private practice of law in Boston, with time out during World War II to serve with the U. S. Navy as a watch officer aboard minesweepers and as commanding officer of an LST in the Pacific zone of operations.

Mr. Townsend is a graduate of Pennsylvania State College, class of 1946, and, prior to joining the News Bureau reportorial staff in 1948, was a reporter for *The Pittsburgh Press*. He later worked for a year and a half in the publicity department of Armstrong Cork Company of Lancaster, Pa. He is a native of Apollo, Pa.

Thomas B. Paton is secretary of the Committee on State Legislation; Lester Gibson is director, and John L. De Jong associate director, of the News Bureau.

This is the fourth annual National Credit Conference which attracts approximately 1,000 bankers from all over the country each year. The program is designed for chief loaning officers and many of these delegates are the heads of their banks. This conference has assumed increasing importance each year as the bankers have found it a real opportunity to hear leaders in government, industry, and finance discuss credit trends for the coming year.



John R. Vincens

First Showing of Third School Series Film October Event

Film Is Now Available to A.B.A. Membership

The first showing of *A Future to Bank On*, the new career film on banking produced by the Public Relations Council of the American Bankers Association, was given for the officers and staff of the Fleetwood Office of the County Trust Company of White Plains, New York, on October 10.

The film was unveiled at this particular banking office because the entire picture was made in the County Trust Company, and 11 members of the bank staff took part in it.

At the premiere, George B. Ward, assistant director, A.B.A.'s Customer and Personnel Relations, explained why the film was produced. "Banks will hire about 125,000 new employees in the year ahead," he pointed out. "This film is designed for local use by banks, in their high schools, to help interest young people in selecting banking as their life work."

John B. Mack, Jr., director of the Public Relations Council, presented the first two prints of the film to the County Trust Company. In explaining why the bank was chosen as the locale for the picture, he said: "We wanted a modern, progressive institution as the background. It couldn't be too big, or too small, but just right."

After the film was shown twice, refreshments were served in the bank lobby.

Mr. Mack stated that the film was being released to the A.B.A. membership on October 11, in a nation-wide mailing.

1952 Convention of A.B.A. Will Be Held in Atlantic City

N. J. Bankers Will Share in Management

The 1952 Convention of the American Bankers Association will be held in Atlantic City, N. J., it was announced at the close of the organization's 77th Annual Convention by C. Francis Cocke, newly elected president of the A.B.A. Mr. Cocke is president of The First National Exchange Bank of Roanoke, Roanoke, Va. The dates of the Convention will be from Sept. 28 to Oct. 1, 1952.

The last Convention of the American Bankers Association to be held in Atlantic City was in 1947. During the 1952 meeting of the nation's bankers, the New Jersey Bankers Association will participate and share in management of the Convention.

Various Convention committees will be organized and announced to the A.B.A. membership later. Hotel applications will be sent to members about March 1952. "No applications will be accepted by the hotels directly," Mr. Cocke stated.

Winter Meeting of A.I.B. Council Will Be in Point Clear

The annual midwinter meeting of the Executive Council of the American Institute of Banking will be held in the Grand Hotel, Point Clear, Ala., January 23 to 25, 1952, according to Alton P. Barr, president of the Institute. Mr. Barr is vice-president of the Security Commercial Bank, Birmingham.

The Council, the governing body of the Institute, consists of 12 members representing various sections of the country, the elected national officers, and the immediate past president.

The purpose of the meeting in Point Clear will be to review the A.I.B.'s work during the first half of the Institute year; to discuss educational and administrative policy matters; and to make further plans for the remainder of the year, including the Institute's convention in Houston, June 2-6.

CONSUMER CREDIT

News and Comment from Our Consumer Credit Department and Other Sources

Flooring-Discounts Relationships

WHAT is the proper percentage relationship between flooring and retail discount outstanding? The commercial banks engaged in flooring appliances, implements, automobiles, and in the industrial fields became vigilant of totals in May, June, and July when inventories were sizable and sales were slow. The present allocation of critical materials and shortages which are evident for the last quarter of this year and the first quarter of 1952 apparently preclude concern over fall and winter inventories; however, statistics along these lines may prove of interest and help to banks in evaluating their outstandings in wholesale floor plan loans.

David E. Abram, vice-president, The United States National Bank of Portland, Oregon, has compiled the accompanying statistics on the national finance companies relative to this relationship. The source of data is annual statements. These data may be of interest to banks doing a sizable volume of this business and can be used in comparing percentages.

The Committee on Consumer Credit has asked about a dozen large bank operators to give us comparable percentage data which we hope to make available to bank inquirers.

Survey In Progress

MANY banks frequently request information from the A.B.A. as to the percentage of total deposits which banks have invested in consumer loans. While there is no formula in use to determine adequately this information, percentages have run anywhere from 5 percent to 40 percent.

In order to arrive at some fair basis of comparison the Committee on Consumer Credit is conducting a survey among a representative group of bank instalment credit operators in an attempt to develop this information by bank size groups. It is

PERCENT OF FLOORING OUTSTANDINGS TO RETAIL OUTSTANDINGS

	12-31-48	12-31-49	12-31-50	6-30-51
Commercial Credit ...	24.71	21.63	28.97	41.15
C. I. T.	36.93	22.59	20.71	31.48
G. M. A. C.	30.26	21.78	28.32	Not Available
*Pacific Finance	24.44	13.89	15.97	18.87

PERCENT OF RESERVE TO FLOORING AND RETAIL OUTSTANDINGS

	12-31-48	12-31-49	12-31-50	6-30-51
Commercial Credit ...	2.12	2.87	2.99	2.99
C. I. T.	1.89	2.50	2.41	2.26
G. M. A. C.	2.54	2.38	3.05	Not Available
*Pacific Finance	5.68	5.94	4.41	4.05

*Contrary to published data, we treated demos and capital loans as flooring debt.

expected that the results will be interesting and valuable and should help commercial banks to approach this problem intelligently.

There are over 300 banks included in this study with deposit size ranging from \$5-million to over \$100-million. Just as soon as these data are compiled and correlation made of each class of consumer loans the composite results will be made available to our membership upon request to the Committee on Consumer Credit of the A.B.A.

Lending Directory

YOU will recall in 1946, the Association issued a *Directory* to assist banks in the collection of skip and delinquent instalment accounts on a nationwide, reciprocal basis. In 1948, this *Directory* was revised; and in the course of the past five years it has served a helpful and constructive purpose. The co-operation between the banks has far exceeded the committee's expectations. Thousands of accounts have been collected in all parts of the country through the cooperation of banks listed in the *Directory*.

Because of the many changes, and the interest of banks not already listed in the *Directory* to render a collection service, this coming year a new edition of the *Directory* is expected to be published. The present *Directory* lists over 9,000 banks operating in some phase of consumer credit and almost 7,000 banks cooperating in this nationwide reciprocal

collection service. Through a full understanding and use of this service commercial banks have eliminated a competitive disadvantage which heretofore was held by the national finance companies.

Seminar in Credit Management

A SEMINAR in consumer credit is to be conducted jointly by the faculty of the Graduate School of Business of Columbia University and a committee of businessmen and bankers interested in both the operation of consumer credit institutions and in the sale of consumer goods on a credit basis. This seminar has been organized to discuss current developments in the field of consumer credit, to consider the importance of consumer credit to the production and distribution of goods, and to study methods of operation and management. These discussions will be conducted on a managerial and policy-making level. The seminar will consist of six weekly sessions beginning Tuesday evening, November 13, at the Men's Faculty Club, Columbia University, 400 West 117 Street, New York City. Dr. John M. Chapman will conduct this seminar.

Consumer Credit Goes to College

A COURSE in consumer credit inaugurated last year as an experiment at the Wharton School of Finance and Commerce, University of Pennsylvania, is again being

offered through the current academic year.

The success of this course at the Wharton School has furnished the incentive for similar courses in colleges and universities throughout the country. The University of Pittsburgh, Lehigh University, and Northwestern University are among those offering similar courses as a regular part of their curricula.

Originally sponsored by the Philadelphia Credit Bureau, the course at the Wharton School this year will have the Pennsylvania Consumer Finance Association, the Pennsylvania Bankers Association, and the Pennsylvania Credit Union League as additional sponsors. Designed to give a thorough coverage of the entire field of consumer credit, the faculty will be composed of outstanding executives in the banking, finance company, and department store fields. Alexander Gunther, vice-president, The First National Bank of Philadelphia, will be one of the instructors.

Powell Defines Credit Restraint

"IN A VERY REAL and tangible way, the credit policies of the Federal Reserve System and the Program of Voluntary Credit Restraint are complementary in character. . . . The general credit policy of the System is intended to reduce the availability of credit in the aggregate and to make it unnecessary for the System to add to the credit base by the continued purchase of Government securities; the selective credit controls are designed to restrain the extension of credit in a few areas where the formulation of specific and generally applicable lending standards is feasible. Reliance has been placed upon the voluntary credit restraint effort to engender a spirit of caution and restraint in lending policies in general, but especially in sectors not amenable to selective credit controls. . . ."

—OLIVER S. POWELL
Member, Board of Governors
Federal Reserve System

TRUST SERVICES

News and Comment from Our Trust Division and Other Sources

1951 Powers of Appointment Act

At the annual meeting of the Trust Division, held as a part of the American Bankers Association's convention in Chicago, Paul E. Farrier, vice-president of The First National Bank of Chicago and a member of the Trust Division's Committee on Taxation, traced the steps taken and the motivation behind efforts to secure a revision of the provisions of the 1942 Federal Estate Tax Law relating to the powers of appointment.

Nine years of work with the Treasury Department by Mr. Farrier, other leading trust men, and members of the bar, resulted in the Powers of Appointment Act of 1951.

First Objective

"Our first objective," said Mr. Farrier, "and the one I consider as most important, was to have any change in the pre-1942 law applicable only with respect to powers of appointment created after October 21, 1942. The Treasury Department argued that since the holder of a power of appointment was in effect the owner of the property, it was perfectly proper that changes in the law should apply to all powers, regardless of when created, just as any change in law would apply to other property owned no matter when acquired. The fallacy in this argument is in its assumption that the holder of a power of appointment is in effect the owner of the property. It must be remembered that the law embraced more than the all-inclusive power in the holder to reduce the property to absolute ownership and possession in himself. There are many power situations which obviously involve substantially less than the equivalent of ownership of the property.

"It was our position that such a drastic revision of the tax law should not have retroactive effect. Many persons held powers of appointment without being aware of them. The prior law had been in existence nearly 25

years, and many powers had been created in reliance on the law as it then existed. Any change in that law would require the impossible job of reviewing all wills and trusts already in force in order to ascertain whether they might contain powers which might be taxed under any revision of the law. Even if such powers were discovered in ample time, many would not be legally releasable; and even if legally releasable, there would exist the serious problem of distorting the plan of the distribution set up by the creator of the trust and defeating his intentions.

"I am happy to relate that our objective of restoring the pre-1942 law to powers then in existence was substantially achieved in the new law."

Trust Men from 29 States Attend Trust Conferences

TRUST men from 29 states were invited to attend two trust conferences which are being held during October and November under the auspices of the Trust Division of the American Bankers Association in cooperation with the Associated Trust Companies of Central California and the Corporate Fiduciaries Association of Chicago.

The first conference—the 25th Western Regional—was held at the St. Francis Hotel in San Francisco on October 17-19. The second conference—the 20th Mid-Continent—will be held at the Drake Hotel, Chicago, on November 8 and 9. Preliminary programs of both conferences were carried in the October issue of BANKING (pages 91 and 92).

The 11 states represented at the Western Regional Conference included Arizona, California, Colorado,* Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

Trust companies in 19 states will send trust executives to the Mid-Continent

Conference, including Arkansas, Colorado,* Illinois, Indiana, Iowa, Kentucky, Kansas, Louisiana, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, Texas, and Wisconsin.

*Colorado is included in both conferences.

An Economic Crossroads Confronts Nation

"We stand at an economic crossroads and the road we take vitally affects us all," said Raymond H. Trott, past president, A.B.A. Trust Division, at the Western Regional Trust Conference in San Francisco, in a discussion of "The Duty of the Fiduciary to Defend the Dollar."

"For us," said Mr. Trott, "the points to remember are that anything which increases the money supply or decreases the supply of consumer goods aggravates the inflation problem; and conversely anything which increases the supply of goods or decreases the supply of money eases the tensions of inflation."

"We should analyze every situation which develops in order to see just how it affects these equations. We should strive for a balanced Federal budget and to that end should insist on the reduction of non-defense expenditures to the lowest possible level and welcome properly distributed increases in taxes. If there is a deficit it should be financed outside the commercial banking system, preferably by the sale of Treasury securities to individuals in order to absorb excess purchasing power. Consumer spending and borrowing should be reduced in order to relieve the pressure on inadequate supplies and prevent further expansion in the money supply. Consumer savings should be increased and production should be expanded as rapidly as possible with priority of course being given to defense needs, but with no restrictions against the goal of

meeting the combined needs of defense and of the civilian population and thus forestalling more inflation."

Mutual Interests of Commercial and Trust Departments

"THE real goal of banking is to bring all services of the bank to the attention of all the customers so that the bank can serve each customer to its utmost," said C. Francis Cocke, president of the American Bankers Association at the 25th A.B.A. Western Regional Trust Conference in San Francisco last month. Mr. Cocke is president of The First National Exchange Bank of Roanoke, Virginia.

"First of all," he said, "you must inculcate in the minds of all officers and employees, whether they work in the commercial department or the trust department that the primary responsibility of each one is for the bank as a whole. That is the esprit de corps that you must develop. You are working for one and the same institution. Each of its functions and endeavors is important; and unless each department lives and grows, that particular one which is neglected will become a drain on the rest of the organization."

"Second, each officer and employee must be imbued with the fact that the customer is entitled to the best service that the bank can render. There must be created on the part of all officers a desire for their bank to be of greater service to every customer, so that in the end the customer benefits from all of the services which the bank offers."

"Third, if a trust officer wants the commercial officers to become trust minded, he must remember that it takes patience to break down the natural department barrier and develop real cooperation between the two departments. This can be done. . . . Three fundamentals—friendship, understanding, and confidence—are essential to the solution of this problem."

SAVINGS

News and Comment from Our Savings and Mortgage Division and Other Sources

Savings vis-à-vis U. S. Economy

IN addressing the First General Session of the American Bankers Association in Chicago, the Honorable John W. Snyder, Secretary of the Treasury, appealed to the banking fraternity to take an active part in encouraging savings for the safeguard of our national economy.

"Encouraging savings—savings in any form—is needed if we want to stabilize the value of the dollar, if we want to stabilize our economy in these days of inflationary pressures—and they will come again without doubt, even though we have had a respite for a few months in which it sort of leveled off. But as the pressures of this defense program, the spending for equipment and for personnel and for the distribution of the personnel and equipment around the world grow, those pressures are going to take out of our civilian economy a great deal of labor and a great deal of the raw materials and the products which are going to bring a definite pressure of inflation when we consider the high level of national income that we have today.

"So the best insurance that we can possibly take out at this time is to encourage the largest possible volume of savings from these wage earners, from these folks with high levels of income today; and the person that discourages savings is definitely guilty of the worst form of inflation.

"If we do not encourage people to put away at this time a large volume of their earnings in the form of savings of some sort—and I hope a good sprinkling of them will be in United States Savings Bonds—if we don't do that, we are going to be faced with a terrific problem of spending for scarce articles as they become so during the months ahead. But if we do, if we start and get each person to start a little program of savings, as I said before—if we can do that—when we get the composite of that great volume of savings,

we are taking a tremendous pressure off the scarce market, and we are doing another thing. We are building up purchasing power for the future that will be the backlog of a long period of prosperity when we solve this defense program.

"I am quite certain that the great volume of liquid savings in the hands of people at the close of World War II have the most important bearing on our ability to carry our economy along at a very high level in the postwar period because it gave courage to the people who had those savings to go out and spend their current earnings more freely.

Instalment Plan Savings Featured in New Ad Campaign

A NEW approach to selling thrift to the public is employed in a new savings promotional campaign utilizing four different advertising media developed by the Savings and Mortgage Development Committee of the Savings and Mortgage Division of the A.B.A. in cooperation with the Association's Advertising Department.

This campaign is built around an idea originating with the Committee's chairman, Daniel W. Hogan, Jr., executive vice-president, City National Bank & Trust Company, Oklahoma City. The

theme is: "Buy Future Security on the INSTALLMENT PLAN in a Savings Account."

This theme is a challenge to people in every walk of life to acquire a substantial savings account balance in the same way that they acquire many other things—a little down and a little every payday.

The campaign includes 13 newspaper advertisements, with which are coordinated a direct mail folder and blotter, a display card, a counter card, and four spot radio announcements.

Unlike other A.B.A. promotional material on savings, which can be ordered as individual pieces, this campaign is available only to banks wishing to use it in its entirety.

Taxation of Savings Banks, Savings and Loan Associations

ON September 24 the Senate approved an amendment to the current tax bill which imposes an income tax on mutual savings banks, savings and loan associations, and cooperatives.

The bill recognizes the desirability of savings banks and savings and loan associations having a reserve up to 10 percent as a safeguard in emergencies and therefore provides an exemption of the

tax on earnings until a combined reserve and surplus of 10 percent has been established. An amount up to 15 percent of net earnings actually would be allowed for further reserve purposes after the 10 percent limit had been attained.

A proposed tax would be levied on income received by these institutions after distribution of interest or dividends to depositors or shareholders.

On Borrowing by Savings Banks

IN a discussion of current problems in savings banking, William A. Lyon, Superintendent of Banks of the State of New York, said that the savings banks have carried out a tremendous operation in the last year "in handling a record-breaking volume of mortgage commitments. Few of us in the Department were surprised a few months back when some savings bankers put to us the question whether it would not be better for the banking board to authorize the banks to borrow to take up their commitments. They could then have avoided selling securities in an unwilling market."

Although the Banking Board decided against granting this power, Superintendent Lyon sees a need of borrowing facilities for savings banks.

"The need to find substantial amounts of cash at a time when the market would absorb securities only at price concessions served to dramatize the savings bank's need for borrowing facilities if times of real emergency should come along," Mr. Lyon said. "The banking law permits savings banks to borrow only to repay depositors. Conceivably the demands for accommodation could be greater than the facilities now available could readily fill in a crisis."

Superintendent Lyon struck a popular note by his hint that the 16-year ceiling of 2 percent on dividend rates might be lifted by the Banking Board to permit savings banks to meet prob-

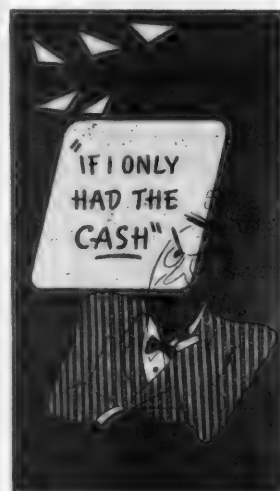
One of the new A.B.A. Instalment Plan ads, below, and folder cover, right

IF YOU HAVE MONEY... you can MAKE money

THE FELLOW with ready cash is always ready to take advantage of opportunities. If your problem is how to become the fellow with ready cash, here's a suggestion: Buy yourself a Savings Account, as you buy other things you want on the installment plan.

BUY FUTURE SECURITY ON THE
INSTALLMENT PLAN
IN A SAVINGS ACCOUNT HERE

(Bank Signature)



lems created by increased competition and the prospect of an income tax on undistributed earnings.

New Ideas for New Times

LIMITED common stock investment by savings banks was recently advocated by Elliott V. Bell, editor and publisher of *Business Week* and a member of the New York State Banking Board. "I believe the time has come when we may properly go a step further and authorize the savings banks of New York State," said Mr. Bell, "to invest a small part of their funds in common stocks. . . .

"Curiously enough it is our

neighbors in New England, ordinarily rated as conservative, who have taken the lead in this matter. All six of the New England states permit their savings banks to have some common stock investments—usually stocks of commercial banks, and one of these states, New Hampshire, has authorized its savings banks to purchase mutual investment trust shares up to 5 percent of deposits. Only last year the Massachusetts law was broadened to permit investment in stock of banks outside the Commonwealth and this year Pennsylvania authorized her savings banks to buy commercial bank stocks.

"From the standpoint of the savings banks and their depositors, the chief argu-

ments in favor of common stock investments are that such investments can improve earnings, thereby making possible higher future dividends and that they will provide a healthy diversification in the investment portfolio. The principal argument against permitting savings banks to buy common stocks, I gather, is that such a course may encourage a speculative attitude on the part of savings bankers."

Comparison of Savings Growth

THE trend in savings has continued upward during the year 1951, following a decline during the last six months of the year 1950.

The increase for the first six months of 1951 amounted to \$1.6-billion which compares with \$2.1-billion for the same period in 1950, in mutual savings banks, commercial banks, and savings and loan associations.

Following the start of hostilities in Korea on June 25, 1950, a decline in savings occurred. For July 1950 the decline is in marked contrast with growth during the same month of 1951:

Savings (000 omitted)		
	July 1951	July 1950
Commercial Banks	+\$190	—\$317
Mutual Savings Banks +	70	— 45
Savings and Loan Assns +	119	— 61

MORTGAGE CREDIT

News and Comment from Our Savings and Mortgage Division and Other Sources

VA Forecasts

Continuation of 4% Loans

RETENTION of the 4 percent rate on Veterans Loans by the Veterans Administration is forecast by T. B. King, director of the loan guaranty service of the VA. "In view of the anti-inflationary objectives which have already been achieved by the changes in monetary policy last spring," said Mr. King, "there is every reason to doubt that we will see any further substantial increase in the level of money yields."

In comment on the 4 percent rate, Mr. King said, in part:

"Based on the data we have been able to obtain, we believe the net yield on VA-guaranteed 4 percent loans in an efficiently managed portfolio must still be admitted to be sufficient to attract investment capital, when compared with even the present high yields on Government bonds.

"We have stated at various times our conviction that the present stringency in the supply of GI 4 percent loans apparent in many communities is not so much due to the real lack of attractiveness of

the 4 percent rate but rather is due to the fact that many mortgage investors have largely withdrawn from the mortgage market over the past several months—a withdrawal made necessary because of indigestion or temporary exhaustion ensuing from the tremendous volume of commitments made in the latter part of 1950 and in the early part of 1951.

"There are signs, faint it is true, that the period of indigestion is slowly coming to a close and that large mortgage investors are re-entering the mortgage market. It is to be expected that such re-entry will be gradual and that initial purchases will be characterized by a certain degree of selectivity. But, as the months wear on, it is our belief that more and more capital will become available for mortgage lending, including the placement of funds in GI 4 percent loans."

On the subject of reduced down-payments on GI loans, Mr. King had this to say:

"Just how the relaxed credit terms, particularly the reduced down-payments, will affect the veteran housing market we have no way of measuring quantitatively. We do know, however, that the previous minimum down-payments required under the

October 12 schedules did disqualify many prospective veteran home-buyers who were unable to meet the down-payment terms of those regulations. Moreover, based upon available data on veteran incomes and liquid asset holdings, we can be sure that the effective demand of prospective veteran home owners has been greatly widened through the relaxed down-payment requirements. It should be pointed out, of course, that this widening in demand will be largely confined to veteran home-buyers in the lower and low-middle income brackets, since the required down-payments for homes priced above \$12,000 are being relaxed only moderately, and above \$15,000 they remain just about the same."

Mortgage Outlook for 1952

BASIC mortgage financing demands in 1952 will be greater than the average of the past 10 years, James C. Downs, Jr., president of Real Estate Research Corporation of Chicago, predicted at the annual meeting of the Savings and Mortgage Division of the American Bankers Association at the Convention.

"The next year will see a record number of potential property users of all types. Both business and individuals will have peak purchasing power and a high capacity to support mortgage loans.

"The sharp decline in mortgage activity during the past few months was not caused by any change in the demand for mortgages, but rather by a radical and arbitrary shift in the mortgage money market. As is always true in a managed economy, the regulations which were adopted turned out to be an overcorrection."

Looking ahead to next year, Mr. Downs pointed out that mortgage money is already becoming more plentiful as the result of high earnings and a reaction from the post-Korean buying splurge. He predicted that competition for loans would grow keener by the early part of 1952 and that loans would be available for veterans' housing at terms recently approved by Congress—either as a result of developments in the money markets or further political action.

As to the influence of the national security program on 1952 construction, Mr. Downs said: "Up to now there has been no real shortage of materials for home construc-

tion, even at the high rate of building which has marked the past few months. Where certain metals will be in short supply and others will be restricted, neither of these factors will cause major curtailments in single-family home starts."

The outlook for financing new construction of apartment buildings, hotels, and certain classes of commercial buildings is definitely clouded by Government restrictions and a lack of risk capital. Declines in mortgage lending in these classifications will keep 1952 from being as good a year as any of the last three, according to Mr. Downs.

Home Mortgage Lending Textbook Being Revised

AT the request of Alton P. Barr, president of the American Institute of Banking, Joseph Earl Perry, newly elected president of the Savings and Mortgage Division of the American Bankers Association, appointed a committee to revise the A.I.B. text on "Home Mortgage Lending." Mr. Barr is vice-president of the Security Commercial Bank, Birmingham, Alabama. Mr. Perry is president of the Newton (Massachusetts) Savings Bank.

The new Committee, under the chairmanship of Earl B. Schwulst, president of The Bowery Savings Bank, New York City, includes mortgage men from savings and commercial banks, many of whom have served as instructors in various chapters of the A.I.B.

The present edition of *Home Mortgage Lending* was published in 1946. It has been widely used by A.I.B. chapters, study groups, and correspondence students. The revision will reflect the many changes which have occurred in the past five years in mortgage loan practices, especially those brought about by the increasing control of the Federal Government over all mortgage credit.

Besides Chairman Schwulst, other members of the Mortgage Text Committee who will assist in the revision of the text are:

Richard A. Booth, president, Springfield (Mass.) Institution for Savings; Willis E. Bryant, assistant vice-president, American Trust Co., San Francisco;

Wendell T. Burns, senior vice-president, Northwestern National Bank, Minneapolis; Elmer S. Carll, vice-president, Frankford Trust Company, Philadelphia; Heyward T. Denyes, vice-president, Industrial National Bank, Detroit; Harry Held, vice-president, Bowery Savings Bank, New York; Leroy B. Lundblad, vice-president, Citizens Savings Bank, Providence; Norman P. McGrory, vice-president, Howard Savings Institution, Newark; Joseph E. Perry, president, Newton Savings Bank, Newton; Harold Reeve, senior vice-president, Chicago Title and Trust Co.; V. R. Steffensen, vice-president, First Security Bank of Utah N.A., Salt Lake City; Arnold E. Worth, assistant treasurer, Newton (Mass.) Savings Bank; J. R. Dunkerley, deputy manager of the A.B.A. in charge of the Savings and Mortgage Division, New York; and T. L. Nims, assistant secretary, Savings and Mortgage Division, A.B.A., New York.

The Committee held its first meeting in Chicago and it is expected that the new text will be ready for the fall semester of 1952.

Need in California for Outside Investment Capital

CALIFORNIA'S need of investment capital from outside of the state to augment capital available in the state for investment in mortgages was recently emphasized by William A. Marcus, senior vice-president, American Trust Company, San Francisco. Mr. Marcus is a past president of the Savings and Mortgage Division of the A.B.A.

"Our problems today are much the same as they have been during the past century, but greatly complicated by the Federal Government's rules, regulations, controls, rival agencies, conflicting fiscal policies, and confusion of thought.

"In California we have 7 percent of the nation's population. By reason of this state's growth, both under peacetime and wartime conditions, we must build yearly between 15 and 20 percent of all the new residential units in the United States. We must have capital to supplement our own if we are to do this job.

"Private capital is willing to come to this state if it is permitted to receive a fair return which must be equal to what it would earn at home. The bulk of this capital in the past has been furnished by institutional lenders, notably the insurance companies, who for the most part must pay agents a fee for taking care of the many details of servicing mortgage investments within the local



William A. Marcus

areas. Mutual savings banks of New York and New England have recently been empowered to invest in FHA and VA loans beyond the borders of their states. But they must also pay a servicing charge on out-of-state loans, which naturally cuts the yield on these investments below the yield on 'over-the-counter' loans if the interest rate is the same.

"Most of California's problems in the home mortgage field are national in character and are well understood by all of you. But there is a particular problem in California, shared by other states, principally in the West and Southwest, where accumulated dollars are not sufficient to provide mortgage funds for building requirements. Our problem is reversed in New England and New York where savings funds have accumulated faster than the demand for mortgages to build homes in their local communities. Those funds are entitled to employment in areas of need, to the great advantage of all sections of the country."

Foresaw Shortage

Mr. Marcus said that California bankers foresaw the coming shortage of mortgage money due to the unrealistic low rates of interest set by the Government long before the Korean war and the Government's credit controls were applied. "Meanwhile," he said, "California institutions for the most part financed builders of homes for veterans on the combination FHA-VA 505 (a) loan plan which enabled capital to earn about 4.4 percent as against the 4 percent VA rate and did attract some needed outside money."

While commenting on the effect of the withdrawal of market support of Government bonds, Mr. Marcus said that "it should have been

apparent that there would be less money available for mortgage investment than formerly and that the reduced amount would have to compete with other investments now automatically made more attractive. But no effort was made to coordinate the acts of the Federal Reserve System and the Treasury Department with those of the Veterans Administration or the Federal Housing Administration to the end that simultaneous rate action might have then been taken on VA and FHA loans to compensate for the market dislocations caused by the change in fiscal policy."

Five problems which confront mortgage lenders were recommended for study in the months ahead:

"(1) How to provide satisfactory yields on VA and FHA loans in the West and Southwest when sought by eastern mortgagees in competition with their local 'over-the-counter' rates.

"(2) How to bring into closer harmony the practices and philosophies of the loan guaranty division of the VA and those of the FHA.

"(3) How to show the various veterans organizations that a sound economy is of greater importance and less costly to their members than a preferential interest rate on mortgages.

"(4) How to present facts and figures to Congressmen and to the public so that bankers may obtain sounder housing and home financing legislation than that enacted in the past six or seven years.

"(5) How, through private enterprise mortgage lending agencies, and through freely operating secondary markets, to serve best the entire economy of the nation including homebuyers, veterans, builders, and the thrifty whose savings make home financing possible."

Increased Activity for FNMA

RECENT housing legislation has resulted in increased activity in the secondary mortgage market by the Federal National Mortgage Association. During August (latest figures available), for example, FNMA purchased 7,942 mortgages aggregating \$62-million, of which \$61-million represented over-the-counter transactions and \$1-million previous commitments.

During August FNMA sold 698 mortgages for \$4-million, while repayments and credits on mortgages amounted to \$5-million.

Of the \$1,019,000,000 uncommitted funds available to FNMA at the end of August, \$350-million was set aside for the purchase of eligible mortgages on housing specifically programmed by the Housing and Home Finance Agency for defense workers in defense areas, and for military housing built under the Wherry Act. Fifty million dollars was set aside for the purchase of eligible mortgages for the rehabilitation of housing for families that lost their homes in the recent flood disaster in the Middle West.

Critical Defense Housing Areas

FORTY-ONE areas at which military installations are located or defense production

activities are under way have been determined by Government authorities to be critical defense housing areas for which new defense housing and community facilities assistance may be provided under the term of the Defense Housing and Community Services and Facilities Act of 1950, which became effective September 1. The areas so designated include 33 in which credit restrictions had previously been relaxed by the Administrator of the Housing and Home Finance Agency, with concurrence of the Board of Governors of the Federal Reserve System, under the Defense Production Act. In addition, eight new areas have now been named for purposes of credit relaxation.

The full list of areas presently designated for both relaxation of credit restrictions and for such aids as will be available under the Defense Housing and Community Facilities and Services Act is as follows:

Alabama

Huntsville

California

San Diego
Oceanside
Solano County
Camp Cooke-Camp Roberts
Imperial County
Barstow
Lancaster

Colorado

Colorado Springs

Delaware

Dover

Florida

Sanford

Georgia

AEC Savannah River
Installation
Valdosta

Idaho

Arco
Blackfoot
Idaho Falls

Illinois

Rock Island
East Moline
Moline

Indiana

Columbus
Indianapolis

Iowa

Davenport

Kansas

Wichita

Kentucky

Paducah

Maine

Presque Isle-Limestone

Maryland

Patuxent

Missouri

Fort Leonard Wood, Rolla

Nebraska

Sidney

New Mexico

Las Cruces
Alamogordo

New York

Starlake
Sampson Air Force Base

North Carolina

Camp LeJeune

Ohio

Wright-Patterson Air Force Base, Dayton

Pennsylvania

Bucks County

South Carolina

AEC, Savannah River
Installation

Texas

Brazoria County
Lone Star
Borger
Mineral Wells-Weatherford
Florence-Killeen
Wichita Falls
Kingsville

Utah

Tooele

Virginia

Norfolk-Portsmouth
Newport News

Washington

Bremerton
Hanford-Kennewick-Pasco

CALENDAR

American Bankers Association

- | | |
|-----------------|---|
| Nov. 1-2 | A.B.A. Public Relations Workshop, Nicollet Hotel, Minneapolis, Minn. |
| Nov. 8-9 | Mid-Continent Trust Conference, Drake Hotel, Chicago |
| Dec. 3-5 | National Credit Conference, LaSalle Hotel, Chicago, Illinois |
| 1952 | |
| Jan. 10 | Eastern Secretaries Conference, A.B.A. Headquarters, New York, N. Y. |
| Jan. 11 | Eastern Secretaries Conference, Commodore Hotel, New York, N. Y. |
| June 2-6 | American Institute of Banking Annual Convention, Rice Hotel, Houston, Texas |
| Sept. 28-Oct. 1 | 78th Annual Convention, Atlantic City, New Jersey |

State Associations

- | | |
|------------|--|
| Oct. 19-22 | Iowa, Fort Des Moines Hotel, Des Moines |
| Nov. 2-3 | Arizona Bankers Association, Arizona Inn, Tucson |
| Apr. 6-8 | Florida, Vinoy Park Hotel, St. Petersburg |
| 1952 | |
| Apr. 15-17 | Georgia, The Bon Air, Augusta |
| Apr. 16-18 | New Jersey, Chalfonte-Haddon Hall Hotel, Atlantic City |
| Apr. 20-21 | New Mexico, LaCaverna Hotel, Carlsbad |
| Apr. 27-29 | Louisiana, Buena Vista Hotel, Biloxi |
| May 7-9 | Kansas, Topeka |
| May 8 | Delaware, duPont Country Club, Wilmington |
| May 8-9 | Indiana, Claypool Hotel, Indianapolis |
| May 8-11 | North Carolina, The Carolina Hotel, Pinehurst |
| May 12-13 | Texas, Galvez Hotel, Galveston |
| May 12-14 | Missouri, Jefferson Hotel, St. Louis |
| May 15-16 | Oklahoma, Skirvin Tower Hotel, Oklahoma City |

- | | |
|------------|---|
| May 16-17 | South Carolina, Ocean Forest Hotel, Myrtle Beach |
| May 19-21 | Alabama, Jefferson Davis Hotel, Montgomery |
| May 19-21 | Mississippi, Buena Vista Hotel, Biloxi |
| May 22-24 | California, Fairmont Hotel, San Francisco |
| May 25-27 | Maryland, Chalfonte-Haddon Hall Hotel, Atlantic City |
| May 25-28 | Virginia, Roanoke Hotel, Roanoke |
| May 26-28 | Arkansas, Arlington Hotel, Hot Springs |
| June 2-4 | Illinois, Sherman Hotel, Chicago |
| June 2-4 | Pennsylvania, Chalfonte-Haddon Hall Hotel, Atlantic City, N. J. |
| June 4-5 | Ohio, Neil House, Columbus |
| June 6-7 | Wyoming, Saratoga Inn, Saratoga |
| June 8-10 | Idaho, The Lodge, Sun Valley |
| June 11-15 | Dist. of C., The Homestead, Hot Springs, Va. |
| June 13-14 | New Hampshire, Wentworth-by-the-Sea, Portsmouth |
| June 13-14 | Vermont, The Equinox House, Manchester |
| June 15-17 | Oregon, Marion Hotel, Salem |
| June 16-18 | Wisconsin, Schroeder Hotel, Milwaukee |
| June 19-21 | Colorado, Colorado Hotel, Glenwood Springs |
| June 19-21 | Montana, Many Glacier Hotel, Glacier Natl. Park |
| June 19-21 | New York, Spring Lake, N. J. |
| June 19-21 | Washington, Chinook Hotel, Yakima |
| June 20-22 | Maine, Poland Spring House, Poland Spring |
| June 26-29 | Michigan, Grand Hotel, Mackinac Island |
| July 18-19 | West Virginia, The Greenbrier and Cottages, White Sulphur Springs |

Other Organizations

- | | |
|------------|---|
| Nov. 12-15 | Financial Public Relations Association, Hollywood Beach Hotel, Hollywood, Florida |
| Dec. 9-11 | Southern Secretaries Conference, Biloxi, Mississippi |

How Materials Control Affects Home Financing

This analysis of the effect of materials control on home financing was prepared by THOMAS L. NIMS, assistant secretary of the Savings and Mortgage Division, American Bankers Association.

ALL types of building construction are now under material control regulations, which limit the use of basic materials needed in the defense effort. If present plans for national defense are continued these regulations may well become a more important factor in determining the amount of new construction and the availability of new mortgage loans than the credit control restrictions which are presently in effect under Regulation X and related control regulations.

What are the prospects for obtaining needed materials for home construction? What will be the quality of the construction securing new mortgage loans? These and many other questions are baffling mortgage lenders since the effective date of the new order M-4A of the National Production Authority. Every evidence indicates that materials will come hard under the Controlled Materials Plan, and either substitute materials will be used, or production of new homes will decline. This condition will require the continuous attention of mortgage lenders.

Short Supply

The materials in short supply and which may now be procured only in limited amounts, or not at all, are steel, copper and aluminum. NPA authorities believe that there is not enough of these metals to go around for everyone and still meet the defense needs. To assure a more even flow of materials, and to preserve it for a longer period of time, positive steps have been taken to control their use. All construction must get along with smaller amounts.

Home mortgage lenders are not specifically required to investigate the use of scarce materials for construction purposes before granting loans, though they may find themselves involved in difficulties if the construc-

tion does not conform to regulations. It would be advisable to check the use of scarce materials before granting loans. In cases of multiple-family dwellings authorities are requiring prior financing arrangements before approving the project.

Conformity with the complex regulations will be slow. Builders of multifamily structures who have not acted promptly to secure authorization or provide for their quarterly allotments of scarce materials, will not be able to build for awhile. Under a plan of self-certification the builder of one-to-four-family homes, need not obtain authorization to build or to obtain the scarce materials. But he must certify that the materials he purchases complies with the limited use permitted, and he must keep a record of the materials he uses, and how he uses them, for a period of two years. The amounts of steel, copper and aluminum permitted in constructing one to four-family homes are shown in Schedule I. Special permission is needed for use of additional amounts.

Multifamily Units

The builder of multifamily units must file an application for materials with the NPA and receive an allotment and authorization to proceed for each quarterly period. The approval of the application is based upon the amount of scarce materials needed to complete the work, and how important it is to use them in the proposed construction. The compliance authorities are directed to make suggestions for the use of substitute materials whenever practicable.

It appears inescapable that under present plans the quality of the construction will suffer. Where and when will substitute materials be used for steel, copper and brass? With basic materials restricted and substitute materials in use, a careful investigation by the mortgage lender of construction cost, sale price, and appraised value is required.

"Class A Products"

The use of materials have

Schedule I

Types of Construction and Quantities of Controlled Materials Permitted Under Self-Authorization Procedure

	Carbon Steel Excluding Structural Steel (Pounds)	Copper and Copper Base Alloys (Pounds)
One-family units using:		
Steel pipe water system	1,800	35
Copper pipe water system	1,450	160
Two-family units using:		
Steel pipe water system	3,500	65
Copper pipe water system	2,750	300
Three-family units using:		
Steel pipe water system	5,100	100
Copper pipe water system	4,100	450
Four-family units using:		
Steel pipe water system	6,500	125
Copper pipe water system	5,200	575
The use of structural steel, alloy steel, stainless steel, and aluminum are prohibited.		

been classified by the National Production Authority into two groups. "Class A Products" are those which are made from the three critical materials of steel, copper and aluminum. They may not be used without due certification, or obtaining permission and the receipt of an allotment for the construction work planned. They include all aluminum products (except those which are prefabricated and listed as "Class B" products) and such items as reinforcing bars, nails, metal sheeting, copper flashing, steel piping for water heating purposes, steel tubing for electrical conduits, copper tubing and electrical wiring.

"Class B Products"

As a guide in the use of products made of scarce material but which are not restricted because they are ready-built and sold through many outlets, the National Production Authority has prepared a list of "Class B Products." They are not restricted, and include such items as reinforcing mesh, metal gutters and downspouts (except copper), steel casement windows and sash, hardware, kitchen and medicine cabinets, plumbing fixtures, furnaces and oil tanks, electrical outlets, soil pipes, insect screens, and weather strip.

CMP Influence

The growth in influence of the Controlled Materials Plan in the field of home building has been a growing one. It began on October 26, 1950, when the National Production Authority prohibited the start of construction of any buildings for recreational, amusement or entertainment purposes, whether for public or private use, without first obtaining permission. On January 13, 1951, this prohibition was extended to include a large list of commercial structures including banks, office buildings and hotels.

On May 3, 1951, residential construction was embraced in the Controlled Materials Plan. Single family houses costing over \$35,000 were included. This regulation was later revised to cover homes containing an area of 2500 square feet.

New Order M-4A

Effective August 3, 1951, a new order M-4A became effective. It provided a more stringent control than ever on construction materials including residential building. It set forth the conditions under which materials could be obtained during an interim period to October 1, and set up the specific use of construction material after that date.



NATIONAL HOMES MORTGAGES ARE PROFITABLE

● The 33,000 National homes already sold have created over \$200,000,000 in selective securities for bankers and other investors. In addition to this, the thrifty and prudent purchasers of National homes provide much additional income in the form of new bank accounts and other services.

Write for our catalog circular.

**NATION'S LARGEST
PRODUCERS OF
PREFABRICATED HOMES**



Other Organizations



This is the head table at the breakfast of the Independent Bankers Association. It is estimated that between 500 and 600 bankers were present. Representative Brent Spence, chairman of the House Committee on Banking and Currency, made the principal talk, saying that there was a good prospect of holding-company legislation.

Left to right on the platform were: Guy Sturgeon, president, Independent Bankers Association; Orval W. Adams, former president of the American Bankers Association; A. L. M. Wiggins, former president of the American Bankers Association; William McChesney Martin, Jr., chairman of the Board of Governors of the Federal Reserve System; Representative Brent Spence; Harry Harding, president, Independent Bankers Association, Twelfth Federal Reserve District; John W. Snyder, Secretary of the Treasury; and James E. Shelton, retiring president of the American Bankers Association.

Below, convention luncheon of the Association of Bank Women, whose annual meeting took place in Chicago immediately before the A.B.A. convention. During its Chicago meeting the ABW elected as its new president Nancye B. Staub, assistant secretary and assistant trust officer of The Morristown Trust Company, Morristown, New Jersey. Mrs. Staub is shown seated at the extreme right of the uppermost table



The news in this department is edited by WILLIAM P. BOGIE of BANKING'S staff.

FPRA to Florida

SEVERAL hundred bank delegates from all over the United States and Canada are preparing to attend the 36th annual convention of the Financial Public Relations Association at the Hollywood Beach Hotel in Florida, November 12 to 15.

As usual it will be a working convention, with most of the time spent, not in general meetings, but, rather, devoted to down-to-the-earth, practical departmental sessions and clinics.

The opening gun each day, "to get the delegates in the proper frame of mind," according to FPRA headquarters, will be fired by Dr. James F. Bender, director of the Institute for Human Relations, New York City. His daily one-hour class will be called "A School of Human Relations."

Another speaker along similar lines who will address the convention is Glenn Drake, specialist in personality development.

The keynote address, "The Human Element in Public Relations," will be delivered at the first general session by Robert C. Downie, president, Peoples First National & Trust Company, Pittsburgh, and president of the Pennsylvania Bankers Association.

Departmental meetings will be divided into five groups: commercial development (subdivided for large and small banks); consumer credit; savings and mortgages; staff relations; trust development.

Delegates select the departmental meetings that interest them most.

Delegates choose at each meeting the topics they wish to discuss from a list which has been prepared in advance. In every case one speaker is prepared to lead off with a brief

(CONTINUED ON PAGE 90)

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You've substantially increased your facilities for servicing your customers' needs here and abroad. You're in a position to offer an impressive range of services to new customers.

You'll discover your associates at the Irving Trust Company are keenly sensitive to business-building possibilities, experienced in their development . . . an enthusiastic and congenial team with whom to work.

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RICHARD H. WEST, President

Domestic Banking Division
NOLAN HARRIGAN, Senior Vice President in charge

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

SOME NEW STATE ASSOCIATION PRESIDENTS



Left to right: SAVINGS BANKS ASSOCIATION OF MASSACHUSETTS—Crawford H. Stocker, Jr., vice-president and treasurer, Lynn Five Cents Savings Bank, Lynn; CALIFORNIA—R. D. Brigham, vice-president, Anglo California National Bank, San Francisco; KENTUCKY—B. L. Hancock, president, Peoples Bank & Trust Company, Owenton; NEBRASKA—William N. Mitten, president, First National Bank, Fremont

(CONTINUED FROM PAGE 88)

analysis to get the general discussion rolling.

The 18 clinics (General Chairman, W. W. Delamater, assistant vice-president, Land Title Bank & Trust Company, Philadelphia) deal with special topics in areas where the delegates are likely to have plenty of problems. They can present their problems at the clinic, and, through general discussions and collective ex-

perience, work through to the best solution. Each clinic session has a leader and consultant.

General chairman of the convention is S. H. Chelsted, vice-president, Peoples First National Bank & Trust Company, Pittsburgh. Mr. Chelsted is also first vice-president of the FPRA.

General program chairman is Harold J. Marshall, executive vice-president, Manufacturers National Bank, Troy, N. Y.

Management Meeting

"DUTIES and responsibilities of management" was the theme for an all-day meeting of directors, trustees and senior officers of Vermont banks at Woodstock on October 26. The meeting was sponsored by the committee on bank management and research of the Vermont Bankers Association and, according to the VBA, was the first of its kind ever held in the United States.

Account Getter and Builder!

The home savings bank that's winning the approval of financial institutions all over America—the beautiful new

Visabank

The bank that gives its owners a constant urge to save money. They all find it fun to see their savings grow. Exact amount saved is plainly shown on the column scales.

A wonderful tool to get new accounts and to help old ones grow.

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Your name is hot-stamped in gold on front, and your full ad message on insert card in rear of bank.

Full range of beautiful colors—solid, marbled and pearlescence.

Complete FREE sales and advertising helps program.

Write for full particulars



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The meeting, which was arranged with the help of officials of the American Bankers Association, offered to persons in positions of responsibility in Vermont banks an opportunity for frank discussion of their duties.

5-Point Program

SECRETARY Carl K. Dellmuth of the Pennsylvania Bankers Association recently outlined a 5-point program which he believes should be the basis of the PBA's efforts in the immediate future:

"(1) To insure national solvency we must energetically sponsor sound fiscal government management at the local, state and federal levels.

"(2) We must plot a sure, straight course which will, at the earliest possible moment, lead government away from its present role as a direct competitor of the privately owned community bank.

"(3) We must insist that government agencies, empowered with supervisory authority over the nation's banks, discharge their responsibilities with the utmost efficiency and economy.

"(4) We must diligently continue to raise banking standards and improve bank services wherever possible.

"(5) We must embrace a program of public education which explains the vital role of banking in our national economy and emphasizes the importance of maintaining a strong overtone of independence in our banking system."

B. F. Barnett is the new president of the Robert Morris Associates. He is president of the Commercial National Bank, Shreveport, Louisiana



We were hung up for 28 days!

(Based on Hartford Claim #H-50-5771)

Our firm manufactures cabinets. Last year a small fire damaged spray rooms in which all cabinets were painted. In spite of the fact that repairs were started at once, we were unable to resume full production for 28 days.

As a result, our sales for this period were \$79,576.49 less than anticipated . . . representing \$24,861.34 in net profit and continuing expenses which we stood to lose. Luckily, we had some Business Interruption Insurance . . . *though less than half enough!* We received \$10,863.06 . . . of which Hartford paid its share.

Loss of income by one of your customers is a serious threat that can precipitate bankruptcy and endanger your loan! That's why it's wise to advise customers of the need for Business Interruption Insurance . . . *and enough of it!* Hartford's work sheets make it easy to find out how much is needed should fire or other insurable hazard force a shutdown. Write us for free copies . . . or see your Hartford agent or insurance broker. In over 5,000 communities you can locate your Hartford agent by calling Western Union by number, asking for "Operator 25".

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Investment Company Shares

H. EUGENE DICKHUTH

INVESTMENT company shares are becoming an increasingly popular medium for both individual and institutional funds. This has been the result primarily of two main factors.

Good investment showings by the individual funds themselves was one important element. The second has been the gradual swing from the rigid rules of "legal lists" for trust investment to the so-called "prudent man" rule under which prudent trustees may invest in common stocks if their judgment conforms to that of other prudent men in the state of their domicile.

At the beginning of this year, there were 23 states which had adopted prudent man rules without specific reference to investment companies or mutual funds. Since January 1, eight states have amended the prudent man rules, giving trustees specific permission to use mutual investment company shares subject to local laws.

Some trustees in other prudent man states have automatically as-

sumed that use of investment company shares is permissible and their action has been upheld by courts and by beneficiaries. Local state laws, however, govern requirements and, obviously, not all mutual fund shares are admissible everywhere.

Investment companies, broadly speaking, fall into two groups. The closed-end companies of more or less fixed assets and the open-end companies, or mutual funds, which offer shares continually to new investors.

Severe restrictions, imposed upon them by the Securities and Exchange Commission—as a result of the stock market debacle of 1929 and the depression—have prevented the funds from aggressive advertising and promotion. Thus, tombstone ads are the order of the day and sales forces are required to conform to the requirements of prospectuses.

Moreover, neither the funds alone nor the closed-end and open-end companies together, have been able to get together so far in any form of effective trade organization. That is why they are relatively unknown

among large segments of the population, including the banking fraternity.

Yet, through wise investment policies and overall inflationary pressures plus better distribution, assets of open-end companies have increased steadily in the past decade. Net resources of 100 mutual funds were \$2,663,755,000 on March 31, a gain of \$544,300,000 over March 31, 1950. Sales of new shares amounted to \$177,696,000 in the first quarter, compared with \$135,372,000 in the last three months of 1950. More progress has been made since.

What are mutual funds? Their basic idea—that of a pooled investment for many small investors—is not new. It is now 129 years since William I of The Netherlands granted a charter for the first ancestor of today's investment company.

Eighty-nine years ago, the first such concern made its debut in Britain and it is 59 years since the first American company of this type was founded, notably affected by English and Scottish experience in the same field.

There are several different types of mutual funds. One is the so-called balanced fund, whose assets are invested in all types of securities from equities to bonds. The flexible balanced fund, as pointed out by Morris Townsend, former Treasury official and now executive vice-president of E. W. Axe & Company, Inc., in his recent brochure *Should A Banker Recommend Mutual Funds?*—does not restrict the management as to type or volatility of security purchased.

The restricted balanced fund limits the management by charter as to the extent of its operations. Some statutes even specify the ratio of senior securities, for example.

There are also out and out common (CONTINUED ON PAGE 94)

The Private Investment Markets

Institutional and private absorption of new issues has been good to excellent in recent weeks. Inventories of corporate and municipal flotations are hardly existent on dealers' shelves these days. Quiet sustained firmness in equities in all markets seem to have been an important element of reassurance in the markets for new issues.

There has been somewhat of a weakness in bond prices of late, but financial quarters are inclined to interpret that bullish rather than bearish. It means higher yields and some experts believe it may be the introduction to a slightly higher money curve.

Even the recent \$100-million issue of the International Bank for Reconstruction and Development suffered from lower prices. Issued at par and designed carefully to run above par thereafter, it fell below shortly after the flotation was completed. Free riding was also held to be an important factor in the unexpected price drop. Contrary to all expectations, the sponsor system of distribution worked poorly this time and informed quarters feel on the next occasion the Bank may turn to the fiscal agency method of distribution, employed by such groups as the Federal Home Loan Bank system.



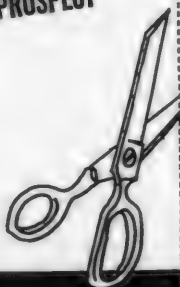
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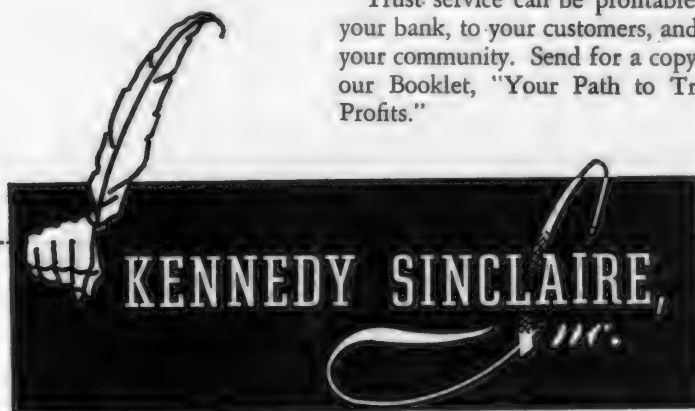
- A SURVEY OF YOUR MARKET
- ENTHUSIASING PERSONNEL
- YOUR PROSPECTS' NEEDS
- HOW TO INFORM PROSPECTS
- HOW TO GET ACTION
- WHY A TRUST SOLICITOR
- SECURING COOPERATION
FROM THE PROFESSIONS
- MOTIVATING YOUR PROSPECT
- TRUST PROFITS



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BANK _____

CITY _____ STATE _____

POSITION _____

(CONTINUED FROM PAGE 92)

mon stock funds, either the fully invested type which is just that or the dom of action is maintained to take advantage of economic and market management type where full free-changes.

Leverage funds, on the other hand, are concerned with only one objective—long-term appreciation. Finally, there are specialty funds which concern themselves exclusively with investments in, say, radio and television, oil and natural gas, chemical, aviation, steel and what

have you. In all funds of any type, management and its decisions and final results are, of course, the primary consideration. Long-term performance records are readily available on a comparative basis.

Skilled research, management, and investment judgment are the chief reason for the so-called sales load in most funds. For individual transactions below, say, \$20,000 to \$25,000 the acquisition cost runs from nothing or low percentages in a few isolated cases to an average of about 8 percent to a top of 9¼ percent.

For that the investor gets selec-

tion, diversification, and constant supervision, which he could never do himself unless his entire time is devoted to the project. Moreover, it should be noted that the recent increase in stock exchange commissions, notably those for odd lots—purchases and sales of less than 100 shares—has made mutual funds competitive, if not wholly, then in part.

A study published by Kidder, Peabody & Company cites costs of Curb and Stock Exchange transactions and by several examples points out that, depending on price and the number of shares, some buyers of stock in the open auction markets pay anywhere from 2.9 to 8.1 percent of their investment in exchange commissions.

Pooled Purchases

More important for the banker is that quite a few funds allow lower rates for large transactions or pooled trust purchases. These reductions are considerable. One fund, Income Foundation Fund, for example, permits employee trusts, charitable and other organizations which are exempt from Federal income tax, including pension trusts, colleges, etc., to buy at one-half the regular cost. This, in some instances may cut acquisition to as little as 1 percent. Similar rates are obtainable for cumulative purchases.

Recent refinements in popular distribution of mutual fund shares have seen the adoption of plans whereby the client agrees on an initial payment and monthly instalments if he can afford them. Some of these periodic purchase schemes have a group life insurance tied-up with it, but since there is no actual underlying debt, the legality under insurance laws has not yet been determined finally.

However, wider distribution of mutual fund shares—there are now more than 1,200,000 shareholders of funds in the country—raises the question of open-end investment company stock as collateral for bank loans. From the standpoint of diversification of risk, there is no reason why such holdings should not make desirable collateral and reports are that bankers are beginning to recognize it, particularly since mutual fund shares are redeemable on demand at the daily net asset value depending on the fluctuations of the markets.

Mobile home financing— a better-than-average risk

EARNINGS ABOVE AVERAGE

—A recent poll of New England showed annual income of trailer coach owners to be \$4200 compared with the national average of \$3,300. Another major mobile home market—on-the-job-construction workers average \$6,045, according to a leading national construction firm.



MOBILE HOMES PREFERRED—Surveys show that 90% of today's trailer coach buyers prefer trailer living because it best meets the special requirements of their occupation.

DEMAND RAPIDLY EXPANDING—The increasing number of defense plant and construction workers is creating a fast-growing demand for mobile housing. For example, at the AEC project at Paducah, Kentucky, about half the new employees either own or are purchasing mobile homes. Over 4,000 mobile homes are expected in that area by January 1, 1952.

FINANCING DESIRED—Research studies show 3 out of 4 mobile home buyers prefer to finance their wheeled housing.

The modern mobile home costs from \$2000 to \$6000.

It may accommodate as many as 6 persons.

It has running water, electricity, shower, sanitary facilities, electric refrigerator, beds, tables, chairs and all of the other conveniences of modern housekeeping.

More than 1,500,000 Americans find mobile living the most suitable to their way of life.

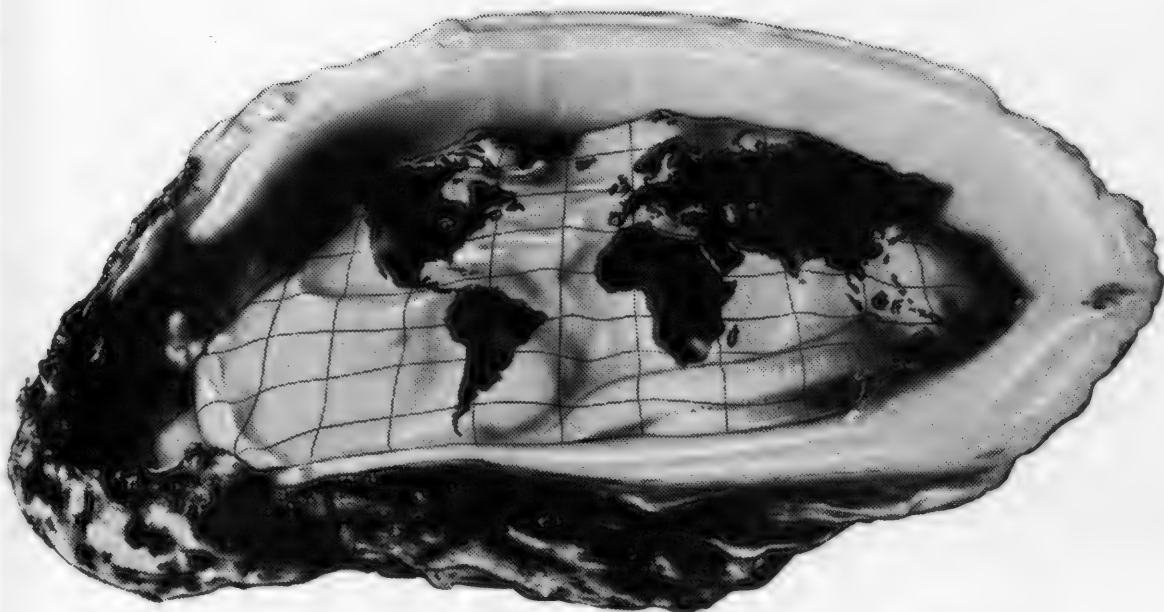


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Trailer Coach Manufacturers Assn.

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if the world is
your customer's oyster . . .



Why not help him open it more quickly and easily by using the facilities of The Philadelphia National's foreign department?

With one of the most active foreign departments in the country and the largest in Philadelphia, The Philadelphia National finances more exports and imports moving through the nation's number 2 port than any other bank.

Through The Philadelphia National and its foreign correspondents you can offer your customers the world's finest foreign trade service.

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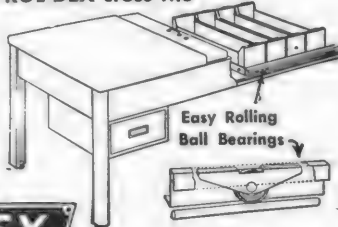


ROL-DEX Installation in People's First National Bank and Trust Co., Pittsburgh, Pa.

SAVE... with a ROL-DEX Central File!

More and more banks are saving time and money with a ROL-DEX Central File by Watson. The People's First National Bank and Trust Co., of Pittsburgh, Pa., said their ROL-DEX Central File "coordinated facts of each and every customer and saved a tremendous amount of time, trouble and expense." ROL-DEX by Watson provides quick, easy access to the records. They roll on ball bearings to seated operator with such ease that you can hire more mature personnel than under usual filing conditions. These older people are experienced and dependable; age is no factor when operating ROL-DEX by Watson.

ROL-DEX cross file



No Stooping

No Walking

No Squatting



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Jamestown 13, New York

It Pays to Counsel Young Farmers

(CONTINUED FROM PAGE 55)

Farm and Home Administration, and the small remainder by others.

The difference between time deposits and demand deposits is not particularly new, but the fact that they might have a bearing on a bank's loan policy was new to class members.

As a result of an easily understood description of the activities of various governmental and quasi-governmental agencies, anyone present was able to see that most of them came into being because of catastrophic conditions plus laws and regulations safeguarding bank depositors, rather than from an arbitrary individual running a bank.

Using a typical member bank statement, Johnny develops the limiting factors in any bank's lending policy. "They are not a bottomless source of funds."

You can almost hear the veterans saying, "Well, this is the first time I have had a glimpse of what the figures in a statement really mean."

Directors' responsibilities are given enlightening treatment along with the brief story of what a bank examination is. An older veteran commented, "I can see there is more than *me* and *my* character involved when I borrow money. I'll have to change my way of approaching this thing."

Wise Use of Credit Rules

Ralph Fontaine and John Graham realized all the background and explanatory material was not going to stay with the listener forever. They agreed "Rules for the Wise Use of Credit," if remembered, would do more lasting good than anything. They simplified the ideas they encountered and came up with the following:

- (a) Borrow only in connection with a business which is understood.
- (b) Keep debt at the lowest point that permits a business large enough to be efficient.
- (c) Study the price level and govern commitments by likely trends in prices during the life of the loan.
- (d) If credit is used, confine its use to income producing purposes.
- (e) Have a definite program for repayment:

- (1) Paying expenses for cur-

rent operations out of the proceeds of the product for which they are used.

(2) Paying for capital items from the same sources as rapidly as the surplus income permits, after the operating expenses and a conservative scale of living are paid for.

(3) Using instalment methods to repay debts when income is received in fairly regular amounts during the year.

(f) Keep debt from getting too high for income.

(g) Keep debts from getting too high for capital.

(h) Select a credit institution that is in position and willing to go along in periods of adversity as well as in periods of good times.

(i) Be businesslike with a financing institution.

(j) Have an adequate amount of insurance.

The guideposts of credit, the three C's, were unveiled to show how the fellow on the other side of the table, the lending officer, must arrive at a decision. The talk includes a sound explanation of collateral—what it is and why it is a factor. Significance and weight of endorsement is clarified.

Net Result: GI Understanding

"Does the material get across?" you ask.

William W. Shepherd, cashier, Owensboro National Bank, Owensboro, believes so. He reported an incident that, one way or another, has happened many times since the farm finance series started.

"George Rustik, a lad in our county," he said, "raises cattle and sheep on a farm owned by his mother. With the endorsement of his mother, we've been helping him finance his operations for the last three years.

"But George was getting to the point," Bill continued, "where he felt he was ready for a line of credit on his own—without his mother's signature. He had now acquired some livestock in his own name and also harked back to what they told him, when he was discharged, about a 'ready-and-waiting' GI loan.

"And he wanted a larger amount than we felt he was entitled to. We weren't doing very well at getting our reasons over to him, either."

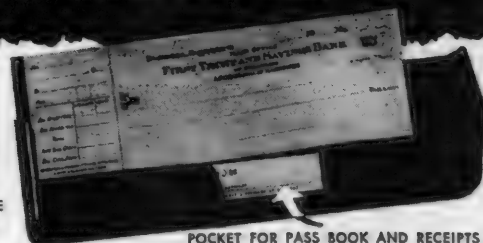
The morning after Johnny's talk,

(CONTINUED ON PAGE 100)

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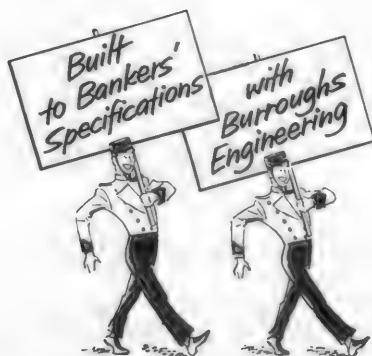
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Bankers told us what they wanted in a bookkeeping machine—and Burroughs engineers designed and built a machine that *outdistanced* these specifications in performance and ease of operation!

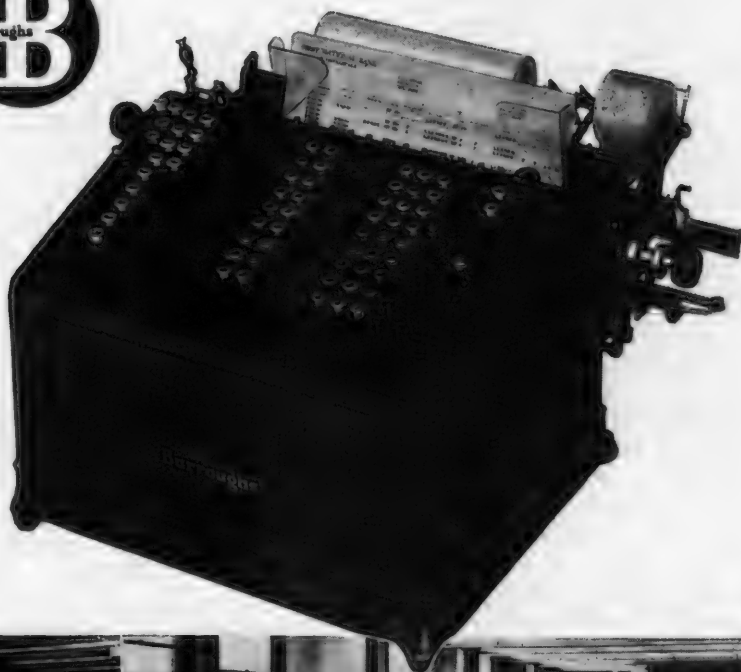
Read what these well-known banks have to say about the Burroughs. Then call your Burroughs man for a demonstration. Let him show you how *your* bank can save time and money through the improved bookkeeping operation this great new Burroughs bank bookkeeping machine will bring you.

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WHEREVER THERE'S BUSINESS



Seattle



IN CINCINNATI . . . The Provident Savings Bank and Trust Company writes: "We use thirty-two machines in our operation, twenty of which are your very latest. All our operators agree that the new machines are much easier to operate, and will produce more work in less time than any machine used previously." The bank also mentions specific features of the Burroughs which it finds valuable. "The adding machine feature, with tape always available, helps us to prepare our check lists at the time of posting and is used to advantage by all our operators. The improved method of correcting errors, the lock to prevent the operator from posting off the bottom of the statement sheets, and the many other improvements are helpful in our maintaining an efficient operation."

IN SEATTLE . . . The Seaboard Branch, Seattle-First National Bank, reports: "We find the new Burroughs bank book-keeping machine to be more efficient due to the fact that it requires fewer motions and is easier to operate, resulting in less time consumed, less fatigue, and greater accuracy." In mentioning fewer motions and easier operation, the bank refers to the Burroughs' faster form handling, visible form headings and alignment, and maximum use of automatic controls. "Feather-touch" motor bars and easy key depression materially reduce operator fatigue. This means more work done, with less chance of posting errors. The dual platen, permitting preparation of check lists at the time of posting, also helps to increase efficiency.

THERE'S **Burroughs**

November 1951

RUGGED
as the Rockies . . .

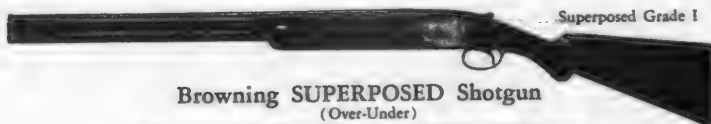
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Superposed Grade V

Carved solid steel designed by Browning; hand-fitted, hand-finished, hand-engraved. This means dependability for the hand, and pleasure to the eye. The great practical advantage of smooth, finely fitted parts is worth the unusual manufacturing effort; wear is minimized; function is positive. Examine a Browning . . . Be your own judge.



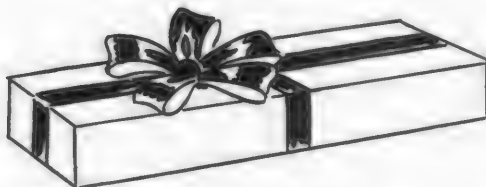
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Models for Trap, Skeet, Field, Marsh.
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Write Dept. 22 for illustrative literature.
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(CONTINUED FROM PAGE 97)

George dropped by the bank. "Say," he volunteered, "you were right in not letting me have that open line of credit. I can see now where I don't really have assets enough, and besides I never looked at some of the risks in financing a farm operation. Graham sure gave us a different slant on banking."

Bill reports George is still a good customer and borrows as needed—on a secured basis.

The president of a bank in Owen County confirmed this sort of experience, he reported, "Pete Portly, a capable young ex-service man, told me 'Until I listened to Graham, I never did understand the bank's part in making a GI loan. Used to think you fellows were just nosey, asking so many questions. After that talk, it's pretty clear why the VA and the banks want to know all about a guy's habits, his ability and, if he's applyin' for a farm loan, what he knows about farmin'.'"

Across the length and width of Kentucky, bankers are finding young farmers have a better picture of their own responsibilities and their banks'. From London, Ashland, Lexington, McKee, Marion, and Williamstown members cite the same experience after John Graham's talk. As Trigg Dorton, cashier, Second National Bank, Paintsville, wrote, "His talk has resulted in some very worthwhile applications for credit."

61 Counties Visited; 59 to Go

To date, 61 counties have been visited. There are 59 still to be covered. Not only are students from one class on hand, but the Vocational Agricultural Department has made the talk a "command performance" for the teachers in every other class in that county.

With his carefully prepared charts, diagrams, and figures, the KBA agricultural representative has left a solid understanding in the minds of his young farmer audience on the importance of finance as an effective farm tool.

The presence of the local bankers has helped considerably. Where possible, the bankers have instanced cases to point up the soundness of the principles Johnny put together.

The Kentucky Bankers Association is proving that, bit by bit, it can clear up the mysteries surrounding farm credit. (END)

BANKING

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Head Office • 55 WALL STREET • New York

67 Branches in Greater New York

54 Branches Overseas



Statement of Condition as of September 30, 1951

ASSETS

Cash, Gold and Due from Banks.....	\$1,464,757,206
United States Government Obligations.....	1,457,986,037
Obligations of Other Federal Agencies.....	29,765,129
State and Municipal Securities.....	503,781,463
Other Securities.....	109,622,890
Loans and Discounts.....	1,888,517,600
Real Estate Loans and Securities.....	23,100,462
Customers' Liability for Acceptances.....	30,186,805
Stock in Federal Reserve Bank.....	9,000,000
Ownership of International Banking Corpora- tion.....	7,000,000
Bank Premises.....	29,011,948
Other Assets.....	3,649,619
Total.....	\$5,556,379,159

LIABILITIES

Deposits.....	\$5,070,367,108
Liability on Acceptances and Bills.....	\$42,981,826
Less: Own Acceptances in Port- folio.....	11,192,767
Due to Foreign Central Banks.....	31,789,059
(In Foreign Currencies)	11,172,900
Items in Transit with Branches.....	17,836,436
Reserves for:	
Unearned Discount and Other Unearned Income.....	18,231,526
Interest, Taxes, Other Accrued Expenses, etc.	41,415,293
Dividend.....	3,312,000
Capital.....	\$144,000,000
(7,200,000 Shares—\$20 Par)	
Surplus.....	156,000,000
Undivided Profits.....	62,254,837
Total.....	\$5,556,379,159

Figures of Overseas Branches are as of September 25, 1951.

\$418,564,259 of United States Government Obligations and \$11,681,500 of other assets are deposited to secure \$339,248,560 of Public and Trust Deposits and for other purposes required or permitted by law.

(Member Federal Deposit Insurance Corporation)

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administration of trust functions

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When questions come up with our Board members I always like to have the basic facts and not attempt to guess at an answer. Therefore, your letter regarding our Surety Bond is very much appreciated for it enables me to answer without question the over-all cost of our Surety Bond.

We feel very secure with the American Surety Company in back of us on the financial exposure, and we are especially fortunate to have you and your local agent so helpful to us on all occasions.

Very sincerely,
Almon E. Krogen
President."

This kind of constructive help on every aspect of your surety bonding problems is as close as your telephone. Why not call our agent in your community now?

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Weather-Proofed Farming

FOR eight hours on a recent Saturday, men and machines labored mightily to undo the damage caused by decades of erosion on a 400-acre farm near Chatfield, Minnesota. But when they had finished, the owners—Leo Plenge and his sons, Earl and Elmer—had a farm weather-proofed to resist the worst blows by the most violent rain storm. The farm had its gullies smoothed out, waterways constructed to resist erosion, and terraces strung along sloping hillsides to prevent new gullies from forming.

It was a big undertaking, fifth in a series of annual Minnesota soil conservation days. An estimated 10,000 visitors from a wide area converged on the Plenge farm for the demonstration. And when it was over, a committee headed by A. O. Krogen, vice-president and cashier of the Root River State Bank at Chatfield, was busy accepting congratulations.

"We were mighty pleased when this event was over," Mr. Krogen explained. "It was just about the biggest thing ever attempted in our community and we worked for many months to get everything in shape for it. But we kept running into last-minute problems that almost had us stymied for a while."

Parking Space

Typical of the problems which Mr. Krogen's committee had to solve was that of providing adequate parking space for nearly 2,000 vehicles.

Mr. Krogen has taken a keen interest in soil conservation for many years.

"'Sick' farms are no asset to a community," he says. "As businessmen, we have a very real stake in soil conservation programs. A farm protected by terraces and strip cropping will produce more money than one carved with gullies and losing big quantities of topsoil with every flooding rain. So we feel that soil conservation is getting to be a must. It's helping farmers in our area to make more money as well as cutting down soil losses."

The Root River State Bank also takes a very close interest in other phases of farm work. For example, it has for years helped 4-H and FFA members with loans for individual projects such as raising beef or

(CONTINUED ON PAGE 104)

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**Largest in the South*

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Field Warehouses**

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MEMPHIS 3, TENN. Sterick Bldg.	DALLAS 1, TEXAS Construction Bldg.	HOUSTON 2, TEXAS West Bldg.	LUBBOCK, TEXAS Lubbock National Bank Bldg.

(CONTINUED FROM PAGE 102)

dairy calves and hogs. Each year it sponsors a dinner for 4-H members in its area and helps to put across the sales of the animals put up for auction.

"This is strictly a farming community," Mr. Krogen explains. "We feel that cooperating with farmers pays nice dividends all along the line, both in better relations with our customers and in increasing the volume of our farm loans."

Chatfield is a short distance from Rochester and is located in the "Chosen Valley." It was settled by early-day farmers when the state was largely wilderness. As generation after generation kept planting row crops that extended up and down the hills, erosion became more and more pronounced. Yields of corn and small grains dropped steadily.

"Worst of all," Mr. Krogen comments, "was the fact that farmers became discouraged. Their incomes were reduced. Instead of growing 75 to 80 bushel of corn per acre, they were getting only 25 to 30 bushels. And their cows were averaging only 180 or 200 pounds of butterfat annually instead of 350 or 400 pounds. That's why this bank has supported soil conservation down through the years. I was glad to take over the chairmanship of the state soil conservation day committee. The next step was to get soil conservation programs set up."

Next year national soil conservation day and plowing matches will be held a short distance from Chatfield. Krogen has again pledged his help to put across this event.

HAROLD SEVERSON

Vice-president Krogen goes over plans for the fifth annual state soil conservation day with District Conservationist W. Marion Roberts of Rochester



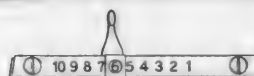
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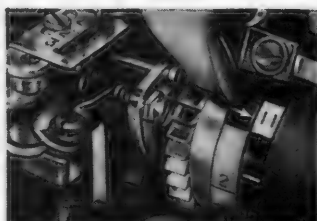
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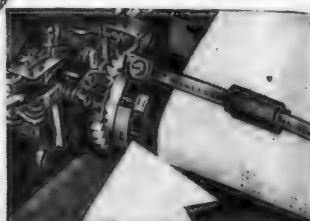
Feature after useful feature

...you'll find all these in the NEW

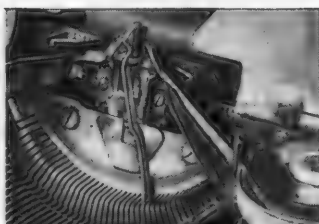
Smith-Corona OFFICE TYPEWRITER



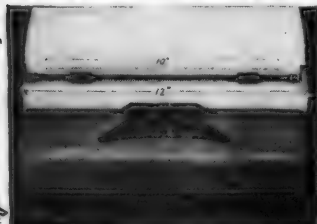
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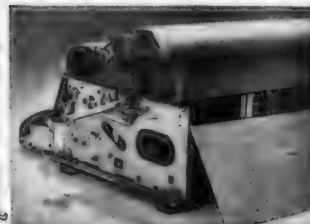
she types it tells how much space is left —keeps telling her to the very end! Saves retyping hundreds of pages a month!



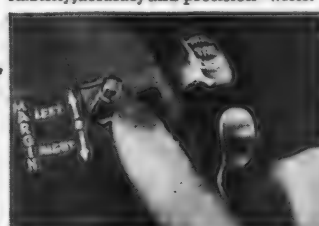
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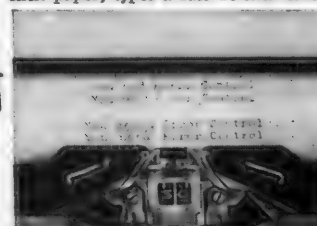
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Main Street

(CONTINUED FROM PAGE 26)

MISS MARY J. CREECH, assistant cashier at the head office of the Anglo California National Bank, one of the first women in San Francisco to be appointed to an executive position in a bank, has resigned and plans to devote her time to leisure and travel.

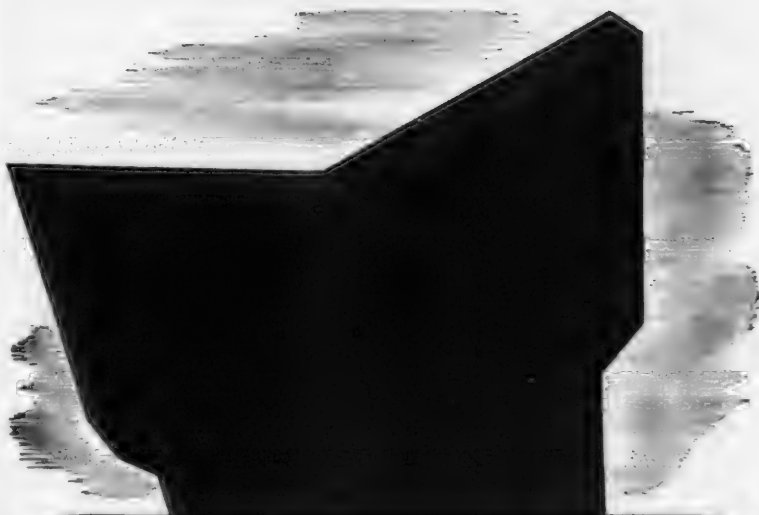
GLENN C. TAYLOR, senior vice-president and director of the Valley National Bank, Phoenix, Arizona, has retired from the bank, but not from banking. He plans to devote his time to the newly organized First State Bank of Arizona at Mesa, the Bank of Flagstaff, and other business and civic interests.

FLETCHER E. NYCE, vice-president of New York Trust Company, has been elected vice-president and a director of Central Trust Company, Cincinnati, and is to assume his new duties in November.

GUY W. LALONE, senior vice-president of First National Bank of Minneapolis, has been elected a director. He also assumes temporarily the duties of the late ARTHUR H. QUAY, who was the bank's president.

JOHN F. KREPPS, president of the Home Savings Bank, White Plains, New York, was honored by the bank employees and trustees on the occasion of his 50th anniversary with the

The Medal of Merit of the American Numismatic Association is presented to Vernon L. Brown (right), curator of the Chase National Bank money exhibit, by Colonel Joseph Moss, president of the association. In the background may be seen part of the 75,000 pieces which make up the Chase exhibit



...STRAIGHT AS AN ARROW TO ANY SPOT IN CALIFORNIA

With Bank of America as your California correspondent you are able to send your items for any of more than 300 communities direct to this Bank's branches in those localities.

One account with either the Los Angeles or San Francisco office of Bank of America makes this time-saving California-wide direct routing service available.

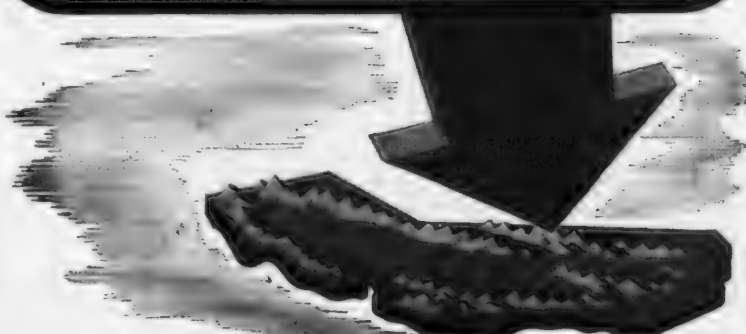
Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

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Bank of America Travelers Cheques are known the world over. Sell them to your customers.



bank. The honors took the form of a dinner with tributes and gifts, including a testimonial book signed by every employee, officer, and trustee, all of whom attended. MR. KREPPS is a state vice-president (New York) of the Savings and Mortgage Division of the American Bankers Association.

THOMAS HILDT, JR., formerly vice-president of the New York Trust Company, has been made a vice-president of the United States National Bank of Denver.

BURT R. SHURLY, JR. is now an assistant vice-president of The Detroit Bank. He was formerly a vice-president of the Industrial National Bank of Detroit, and had been with that bank since 1935.

Bank Pays Up

WHEN his bank wrote to Irad W. Gunter of Richmond, Virginia, that he was entitled to \$1.12 because of such prompt deposits against his loan, the gentleman made a note to stop by and collect sometime.

He did—20 years later.

Upon presentation of a letter dated August 14, 1931, The Bank of Virginia stood by its word and gave Mr. Gunter a check for \$1.12 just 20 years, one month, and five days after the letter was written.

More unusual than the letter's date to some of the bank's younger employees was the wording on the canceled note: "Payable in gold coin."

Security-First National Bank of Los Angeles has appointed COLEMAN COREY as vice-president and principal officer of its newly acquired Ventura (California) Branch. He had been executive vice-president of the bank before it was acquired by Security.

JOHN S. EVERTS, for 22 years vice-president in charge of Colonial Trust Company's office at Madison Avenue and 28th Street, New York, retired October 1. He will continue as a director of the bank and as a consultant for the Madison Avenue office. MILTON HENDERSON, vice-president, will succeed him as officer in charge. Vice-president CHARLES D. DEYE has been named chairman of the Credit Committee and senior credit officer of the bank.



Allard A. Calkins



Paul E. Hoover



Paul B. Kelly



J. Frank Wood

At the Anglo California National Bank, San Francisco, ALLARD A. CALKINS has been advanced to the new office of chairman of the board. PAUL E. HOOVER becomes president; PAUL B. KELLY is first vice-president.

LLOYD R. BECHTEL has been made a vice-president, and VAUGHN R. JACKSON an assistant vice-president of The Pennsylvania Company for Banking & Trusts, Philadelphia.

CLEMENT A. BRAMLEY, JR., has been appointed a vice-president of Chase National Bank, New York, and will have charge of the administration of its New York branches. He has been with Chase since 1928 and is an alumnus (1947) of The Graduate School of Banking.

JOSEPH C. BRENNAN has been elected vice-president of Bankers Trust Company, New York, and will become head of the office in the Empire State Building.

Doubling the frequency of collection, of parking meter pennies in Cedarhurst, New York, makes the pennies do double duty. Left to right are Village Clerk John C. Jack; Lester Scheibel, Village Meter Inspector; and Charles J. Machleid, originator of the idea, who is president of the Peninsula National Bank of Cedarhurst and chairman of the Nassau County Clearing House Association



J. FRANK WOOD has been made senior vice-president of Dollar Savings Bank, New York, effective November 15. He is presently a member of a law firm and was formerly deputy superintendent and counsel, New York State Banking Department.

Course for Officers

PHILADELPHIA Chapter American Institute of Banking has included in its curriculum a course in speed reading for bank officers.

The course started early in October and is 20 sessions long, Tuesdays, at the Fidelity-Philadelphia Trust Company.

Designed for the average or slightly better than average reader, the course attempts to increase speed and comprehension through use of a text and extensive use of the Harvard University Reading Films. This material has been used with conspicuous success both at Harvard University and in regular Army officers' training programs.

JOHN A. MAYER has resigned as president of the Reliance Life Insurance Company to become vice-president of the Mellon National Bank and Trust Company of Pittsburgh. He continues as a director of Reliance Life.

At the First National Trust and Savings Bank, Santa Barbara, California, KENNETH W. WATTERS has resigned as chairman of the board. He is succeeded by CHARLES W. HAGUE, heretofore vice-president. J. R. KIEDING has been named trust officer.

Miss CLARA MAE ANTON of the Metropolitan Branch of the Seattle First National Bank, Seattle, Washington, has received this year's Jean Arnot Reid Award of the Association of Bank Women. The award was established in honor of a former president and founder of the association.

(CONTINUED ON PAGE 110)



Your mail addressed to

LOCK BOX H

Chicago 90, Illinois

*Helps you to
save Hours in the
Handling of
YOUR ITEMS*

*For all your sendings use Lock Box H
envelopes. A free supply—regular or
air mail—on request.*

Continental Illinois National Bank and Trust Company of Chicago

La Salle, Jackson, Clark and Quincy Streets
LOCK BOX H, CHICAGO 90, ILLINOIS
Member Federal Deposit Insurance Corporation



Night Deposit Head

24-Hour Deposit Head

Envelope Supply Holder

Extend Night Deposit Service for a Few

To...

H-H-M 24-hr. Deposit Service for all Customers

Individuals as well as business firms need 24-Hour Deposit Service during busy hours as well as after-hours, over long weekends and holidays. H-H-M 24-Hour Depositories accept bulk deposits in bags as usual; individual deposits in envelopes. The installation shown uses separate deposit heads for bags and envelopes, and includes a supply holder for envelopes. Separate or combined facilities can be arranged for new installations. Special arrangements can be designed economically to meet unusual conditions. H-H-M Depositories are easy and safe for men, women and children to use.

Ask for details about H-H-M 24-Hour Depositories for bulk and individual depositors . . . and for data on successful installations. Write today.

Herring-Hall-Marvin Safe Co.

HAMILTON, OHIO

IT'S A SAFE NAME

Craftsmen in . . . Safes • Insulated Record Files • Vault Doors • Money Chests • Rotary Record Files • Steel Storage Files • Bank Vault Equipment • Drive-In Windows • Depositories • Under-Counter Work • Stainless Steel Hospital and Building Products

(CONTINUED FROM PAGE 108)

ation. It consists of an embossed scroll and \$100 in cash and goes to one of the 10 women graduates of the A.I.B. with the highest scholastic average. It is based upon qualities of scholarship, leadership, service, and character.

DONALD C. JACKSON has become a vice-president of the Denver Industrial Bank. He is well known in loan and credit circles and holds the certificate of the American Institute of Banking.

G. ARNOLD HART has been appointed Third Agent at the Bank of Montreal's New York office. He had been manager of the bank's main branch in Edmonton, Alberta.

News About Banks

When the Whittier Office of CALIFORNIA BANK celebrated its 50th anniversary, it gave its lobby an air of historical authenticity by moving in a number of ancient objects, including a survey with a fringe on top.

CENTRAL NATIONAL BANK OF CLEVELAND has opened in Shaker Heights its 14th office in the Greater Cleveland area.

FARMERS STATE BANK, Sterling, Kansas, has moved into its new fire-proof building which at the time

(CONTINUED ON PAGE 112)

As Denver Chapter, A.I.B., celebrated its 50th anniversary, the Denver National Bank featured this window display. The photo in the lower right is of Dr. Persifor M. Cook, who founded the Chapter in 1901, and who was at the time a member of the bank's staff





Conroe National Bank, Conroe, Texas



CONROE has one of the most modern banks in America
and it's planned for a highly *profitable* banking future!

Geographical location, or the size of the community in which you are situated, need not govern the architectural beauty or operational efficiency of your new banking quarters. We've proved this many times by creating new quarters which are unsurpassed in both beauty and efficiency . . . in small towns, suburbs, and in thriving metropolitan centers. And . . . regardless of the *size* of your bank . . . or the scope of work involved, we give you the finest bank designing available in America today . . . *at no extra cost!* Further, according to an authentic report, banks designed and modernized by our organization achieve and *sustain* business increases far above the average. The reason for this lies in our penetrating knowledge of the banking *business*. If you are contemplating new banking quarters, you'll find our ability and experience invaluable to the success of your project. For complete information, mail the coupon *today*.

Special department to aid you in presenting your project for government approval

Government regulations require you to submit detailed specifications on every phase of your new building project. You'll find our special department invaluable in helping you prepare this presentation material.



Mr. J. B. Gander, President

114

Bank Building and Equipment Corporation OF AMERICA
9th & Sidney Sts., St. Louis, Mo.

On or about (date), we contemplate
☐ New Bldg. ☐ Modernized Bldg. ☐ New Fixtures ☐ Modernized Fixtures
Without obligation please furnish complete information about your organization, its service, experience and projects you've completed.

Name Title
Bank
City State

700

Headquarters: ST. LOUIS, 9th & Sidney Sts. • Offices in: NEW YORK, 103 Park Ave., N. Y. City • ATLANTA, Western Union Bldg. • SAN FRANCISCO, Mechanics Institute Bldg.

(CONTINUED FROM PAGE 110)

of moving was the only bank in the state with a wood-burning fireplace in the lobby.

THE FIRST NATIONAL BANK, Cape Girardeau, Missouri, put out a special section in its local newspaper to celebrate its "60 Years of Service."

This inscription may be found in the lobby of the new BANK OF NOVA SCOTIA Building in Toronto: "The Bank of Nova Scotia erected 1951 and dedicated to the men of vision and integrity who in the year 1832 founded this bank in the City of Halifax, Nova Scotia, and to those who throughout the years have guided its destiny, served it faithfully and nurtured its growth westward to the Pacific, northward to the frontier outposts and south to the islands of the Caribbean."

Philadelphia Merger

THE NINTH BANK AND TRUST COMPANY was merged into THE PHILADELPHIA NATIONAL BANK as of September 24. This has added \$50-million to the assets of the bank, bringing them to a new total in excess of \$800-million. It adds five offices in the northeast section of the city, bringing the total offices to eight.

The consolidated bank has announced a new program of personal banking service that includes neighborhood branches, complete trust service, small loans, and special checking accounts.

The senior executives of the en-



Charles Z. Meyer



Clarence E. Hill

larged bank are: Frederic A. Potts, president; Norman T. Hayes, vice-president; Ralph D. Withington, vice-president, downtown offices. J. Wilson Steinmetz, formerly president of the NINTH BANK, becomes vice-president, northeast offices.

No less than 18 banks are now represented in the family tree of THE PHILADELPHIA NATIONAL BANK, founded in 1803.

CHARLES Z. MEYER, comptroller of The First National Bank of Chicago, has been elected president of the Controllers Institute. Vice-president OWEN T. JONES of American Trust Company, San Francisco, was chosen a regional vice-president; and EMMETT J. HOUSE, vice-president, Union Planters National Bank & Trust Company, Memphis, was named a director. Controllers Institute is a nonprofit organization of controllers and finance officers from all lines of business.

RAY H. ADKINS, president of the National Bank of Dover, Ohio, was elected president of Ohio Music Camp, Inc., at a meeting recently at Malabar, farm home of author Louis Bromfield.

Retirement of CLARENCE E. HILL as chairman of the board of Northwestern National Bank, Minneapolis, has been announced. He joined the bank in 1922 as a vice-president; he was named chairman in 1945. He had been in banking for 46 years, is a former member of the board of the Federal Reserve Bank of Minneapolis, and a past president of the Minneapolis Clearing House.

They Like Music

MOST members of the staff of the AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO like having music while they work. The bank made a survey and found out. The survey was made among 150 employees in operating departments where recorded music has been provided at regular intervals during working hours for the past three years. Of 146 people who answered the question, "Do you like or dislike music while you work?"—139 said they liked it; 7 did not.

Most reasons for liking music during working hours were: 132 said it helped them work more efficiently; 130 said it helped relieve fatigue; 101 thought it helped relieve monotony; 98 said it made the day seem shorter; 89 said it cheered their fellow employees; 71 said it made them look forward more to their work.

On the negative side: 12 said music made them nervous; 9 found it interfered with their work; 7 wanted it stopped immediately!

On how much music should be provided: 61 wanted more; 7 wanted less; 78 were content with the present schedule of alternate periods of 15 minutes of music and silence.

Most popular kinds of music were standard popular songs, semi-classical music, waltzes, Latin-American tunes. Less popular were novelty music, boogie woogie, swing, heavy symphonic and operatic music, polkas, folk dances.

A merger has been proposed of THE SYRACUSE TRUST COMPANY, Syracuse, New York, with the MARINE MIDLAND CORPORATION. SYRACUSE TRUST has resources of over \$76-million and deposits of over \$71-million. The MARINE MIDLAND system now serves 49 communities in New York State and shows total deposits of \$1,135,000,000.

—(CONTINUED ON PAGE 115)

The old and the new at the recently opened drive-in of the 1st National Bank and Trust Co., Paterson, New Jersey. In the 1906 Model N Ford is the facility's first depositor. In the shiny new Cadillac is Board Chairman F. Raymond Peterson



From the windows of his mansion at Kittery Point, William Pepperrell, richest man in Maine, could see his ships departing and arriving from the West Indies and Europe. The house, built by his father in 1682, was "one of the most magnificent provincial residences"; through the hall, it was said, a cart and oxen could be driven. Smaller than in Pepperrell's day, his birthplace is now privately owned.

Besides being a merchant and shipbuilder, Pepperrell took an active part in politics and was an officer in the militia. Although he had no legal training, the governor appointed him chief justice of the colony when the incumbent was removed for political reasons. Reversing the usual order, after his appointment Pepperrell set about studying law.



Master of Kittery Point

SIR WILLIAM PEPPERRELL

First American Baronet



His chief exploit was commanding an expedition in 1745 against the Canadian stronghold Louisburg, one of France's important fortifications. In recognition of his efforts in bringing the siege to a successful conclusion, George II made him a baronet, an honor never before conferred on any native American. He was also the first American to be a general in the British royal army and for a few months served as acting governor of Massachusetts which at that time included Maine and New Hampshire.



*Sir William Pepperrell
at the battle of Louisburg*

Sir William was proud of his success and cut a fine figure as he rode about in his coach attended by footmen and outriders, but his overwhelming ambition to have his name perpetuated failed of fulfilment. Of his four children, Andrew, the only son to reach maturity, was engaged to Hannah Waldo but postponed the marriage date several times presumably because of ill health. When the wedding day finally arrived, in the presence of the assembled guests, the bride called off the ceremony because of

the mortification she had been caused. The grief-stricken Andrew died shortly thereafter.

After Sir William's death in 1759 the property passed to his daughter's son William Sparhawk on condition that he take the name Pepperrell. As he was a Loyalist he fled to England when the Revolution broke out.

*The Home, through its agents and
brokers, is America's leading
insurance protector of American homes
and the homes of American industry.*

★ **THE HOME** ★
Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

Copyright 1951, The Home Insurance Company

Instantly **ACCEPTED...**

in 28,672 Western Union Offices



"We consider American Express Travelers Cheques another form of cash," says Miss Josephine Reilly, clerk-operator in a New York City Western Union Office. "Whenever our customers offer them, they're always accepted instantly!"

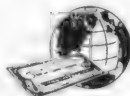
● Your customers rely on you to give them the best possible service in every way. When you sell them American Express Travelers Cheques, you offer them the most acceptable cheques with the best service in the world.

American Express originated the Travelers Cheque in 1891. Through years of service to the public, and vigorous national advertising and promotion, they have become the best known and by far the most widely accepted cheques in the world.

Instantly Recognized in a Million Places

As a result, at a million places—banks, Western Union and Railway Express offices; service

stations, restaurants, hotels, tourist camps; railroad, bus and air terminals; shops and stores in the United States and all over the world—American Express Travelers Cheques are instantly recognized and accepted.



They Command a World of Service

In case of loss or theft, your customers can count on assistance at one of the many American Express offices in the United States and abroad. In time of need, when speed counts most, a quick refund or financial help is given with the same degree of courtesy and spirit of friendliness your customers find at your bank.

AMERICAN EXPRESS TRAVELERS CHEQUES

THE MOST WIDELY ACCEPTED CHEQUES IN THE WORLD!

(CONTINUED FROM PAGE 112)

After sponsoring six years of symphonic music on the radio, the CHICAGO TITLE AND TRUST COMPANY now is doing the same thing on television with its new program featuring the Chicago Symphony Chamber Orchestra. The Chicago Art Institute is loaning a number of its treasures to be used for video illustration of some of the program numbers.

The softball team of the EMIGRANT INDUSTRIAL SAVINGS BANK has won, in a 16-inning 1-0 contest, the Greater New York City Championship Cup of the Savings Bank League. The team, in existence only five years, has won the cup three times and thus gains permanent possession.

Directors of 32 affiliated banks of NORTHWEST BANCORPORATION met recently in the directors' room of NORTHWESTERN NATIONAL BANK OF MINNEAPOLIS. This was the fourth such conference held by the system.

THE BANK OF GEORGIA recently became the first Atlanta bank to have a television program when it began sponsorship of the *NBC News Review of the Week*. It is a 15-minute show every Monday.

New and more spacious quarters for THE SYRACUSE (New York) TRUST COMPANY's personal loan and time sales departments have opened

James D. Robinson, Jr., president of the Trust Company of Georgia Associates, with display of \$1-million in currency set up in the bank's safe deposit vault in connection with the 60th Anniversary celebration of the Trust Company of Georgia



THOUGHTS WHILE HAILING A CAB

Joe says the Doe Company has been slow paying their account lately.



Must remember to check on how their account stands with us.



Hope whatever is wrong at Doe is only temporary.



Oh well... we don't have to worry... our American Credit Insurance guarantees payment of our accounts.



American Credit Protects BOTH Banks and Their Customers

AMERICAN CREDIT INSURANCE *pays your customers when their customers can't*... protects them against the many unpredictable events that can cause even the "best credit risks" to default. Many banks recommend that customers protect accounts receivable with American Credit Insurance before approving commercial loans. *The bank can be included as a named assured without charge.* Ask the American Credit office in your city for our book, "Why SAFE Credits Need Protection" or write AMERICAN CREDIT INDEMNITY COMPANY OF NEW YORK, Dept. 45, First National Bank Bldg., Baltimore 2, Md.



J. D. Robinson
PRESIDENT

**AMERICAN CREDIT
INSURANCE**



GUARANTEES PAYMENT OF ACCOUNTS RECEIVABLE

OFFICES IN PRINCIPAL CITIES OF
THE UNITED STATES AND CANADA

A big bank **SERVING A GROWING COUNTRY**



St. James Street, Montreal, with the 20-story Royal Bank Building in the background.

Established in 1869, the Royal Bank of Canada has grown to be one of the great banking houses of the world. It has over 750 branches located coast-to-coast in Canada, in the West Indies, in Central and South America, in New York, London and Paris. *Total assets are well over \$2 billion.*

Individuals, firms and banks doing business in Canada or abroad will find at "The Royal" *world-wide banking facilities*—and many *specialized services* outside the realm of routine banking.

We welcome your inquiries and the opportunity of working with you in furthering your business interests in Canada and abroad.

THE ROYAL BANK OF CANADA

HEAD OFFICE — MONTREAL

New York Agency, 68 William St., N. Y. 5

Correspondents the world over

Assets exceed \$2,400,000,000

in a newly acquired building immediately adjoining the bank's Main Office.

At the rate correspondents are accepting the invitation of THE FIRST NATIONAL BANK OF CHICAGO to attend its fifth annual bank conference, previous attendance marks will be shattered. In mid-September over 1,100 people indicated they would be present when the conference opens on November 26.

Ads Win Award

The advertising campaign used last summer by THE UNITED STATES NATIONAL BANK, Omaha, Nebraska, has been awarded first prize in the annual Midwest Newspaper Advertising Executives Association contest for the "Most Usable Advertising Idea of the Year."

The campaign was developed by the Allen & Reynolds agency in Omaha. It featured human interest photographs for the larger part of each ad, with a smaller amount of type set in news style for the bank's message.

In commemorating its 100th anniversary, the STAMFORD (Connecticut) SAVINGS BANK has published a 10 x 13 booklet full of local history and profusely illustrated.

REPUBLIC NATIONAL BANK OF DALLAS is winner of the top SOCRATES' Award for 1951, given to the
(CONTINUED ON PAGE 118)

Barbara Pendleton, chairman of the National Women's Committee of the American Institute of Banking, speaking on "New Fashions in Banking" at Chicago Chapter's brunch and style show promoting opportunities in banking for women. Miss Pendleton is assistant cashier of Grand Avenue Bank of Kansas City, Missouri



**She's getting too big
for her bridges!**



Banks, too, must consider expansion.

That's why space-conscious bankers give this compact Monroe Bookkeeping Machine an efficiency rating of AAA. It's not only a great space-saver (the smallest bookkeeping unit on the market today), it's a marvelous work and time-saver as well.



Monroe Bank Posting Machine
Easy to operate. Famous "Velvet Touch" keyboard. Complete visibility, direct subtraction, and automatic totals in all registers. Front insertion carriage, exact printing alignment, quick program changes.

This many-handed Monroe handles the bank's most vital bookkeeping jobs—commercial and savings posting. And thanks to Monroe's effortless "Velvet Touch" handles them all so smoothly, operators finish the day with far less strain and fatigue. Lighten the figure load, increase the efficiency of your employees. Call your nearest Monroe representative and ask him for a demonstration today.

MONROE
MACHINES FOR BUSINESS

MONROE CALCULATING MACHINE COMPANY, INC. GENERAL OFFICES, ORANGE, N. J.

Chemicals—and allied products—constitute a major and rapidly growing Los Angeles Metropolitan Area industry, with an annual payroll rate of approximately \$65,000,000 and employing in excess of 14,000 persons.



SECURITY-FIRST NATIONAL BANK

OF LOS ANGELES

Statement of Condition

September 29, 1951

RESOURCES

Cash and Due from Banks	\$ 347,093,831.19
U. S. Government Securities	\$874,053,769.89
State and Municipal Securities	59,415,705.17
Other Bonds and Securities	16,514,037.69
Loans and Discounts	949,983,512.75
Earned Interest Receivable	487,862,501.05
Customers' Liability under Acceptances and L/C	4,415,296.88
Bank Premises	4,411,753.13
Other Assets	4,422,715.95
TOTAL	146,481.78
	\$1,798,336,092.73

LIABILITIES

Capital	\$ 30,000,000.00
Surplus	30,000,000.00
Undivided Profits	42,834,504.31
Reserves for Interest, Taxes, etc.	\$ 102,834,504.31
Interest Collected—Unearned	15,340,415.02
Acceptances and Letters of Credit Liability	2,874,704.96
Other Liabilities	4,411,753.13
Deposits—Time	190,167.44
—Demand	\$ 592,642,072.32
TOTAL	1,672,684,547.87
	\$1,798,336,092.73

Securities carried at \$170,579,792.51 are pledged to secure trust funds and U. S. Government, State and other Public Monies, and for other purposes as required or permitted by law.

BOARD OF DIRECTORS

George M. Wallace, <i>Chairman</i>		
James E. Shelton, <i>President</i>	Chester A. Rude, <i>Chairman Executive Committee</i>	
Elmo H. Conley	Robert E. Gross	Fred B. Ortman
L. W. Craig	Ralph B. Lloyd	John J. Pike
Shannon Crandall	Maynard McFie	Elbridge H. Stuart
Thomas A. J. Dockweiler	William B. Munro	Edward R. Valentine
Gabriel C. Duque	Gurney E. Newlin	C. T. Wienke
James B. Gist	John O'Melveny	Dr. John C. Wilson

133 Offices and Branches serving
Central and Southern California

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Edward C. Boyer



H. L. Schwartz, Jr.

(CONTINUED FROM PAGE 116)

bank in the United States and Canada making the greatest contribution to the general effect of bank relations with the public and for having the outstanding advertising program for the year. The award is given by *Bank Ad-Views*.

EDWARD C. BOYER, formerly an official of The National Bank of Commerce in New Orleans, has been elected a vice-president of the Guaranty Bank & Trust Company of Alexandria, Louisiana. Mr. BOYER is an A.I.B. graduate, was president of New Orleans Chapter in 1940, and in 1944 was elected a member of the National Executive Council of the Institute for four years.

H. LIVINGSTON SCHWARTZ, JR., has been promoted to vice-president at Guaranty Trust Company of New York.

THE CENTRAL NATIONAL BANK OF RICHMOND was subject of a feature article in *The Commonwealth, The Magazine of Virginia*. The article was illustrated with exterior and interior views of the bank's skyscraper building and pictures of its officers.

THE BANK OF NEW YORK AND FIFTH AVENUE BANK has completed the remodeling and redecorating of its Fifth Avenue office. For the first week after completion of the work, the bank exhibited on its main floor a number of old photographs of Fifth Avenue and some of the historical records of the bank.

New Bank Ad Firm

J. WILLIAM IRWIN, formerly of the advertising department of the American Bankers Association, has formed in Richmond, Virginia, a new firm bearing his name.

It will specialize in advertising and public relations for banks in Virginia and neighboring states.

THE NATIONAL EXCHANGE BANK OF AUGUSTA, Georgia, thinks it can help solve the city's growing traffic problem. It is erecting an addition with three drive-in tellers' windows and providing off-the-street parking for 55 cars.

Well over 5,000 people visited the STATE BANK OF POPLAR BLUFF, Missouri, on the occasion of the bank's 50th anniversary celebration. The open house birthday observance climaxed a remodeling program which enlarged the bank's facilities and added much new equipment. In commemoration of the event, the bank published an illustrated, gold-covered booklet entitled *The State Bank Story*.

THE BANK OF AUSTRALASIA and THE UNION BANK OF AUSTRALIA LIMITED, two of the leading banks in Australia and New Zealand, have merged. The combined organization began trading operations on October 1, 1951, as AUSTRALIA AND NEW ZEALAND BANK LIMITED. Both of the merging banks date back well over a hundred years to the very early days of settlement in Australia and New Zealand.

Good Banks Equal Good Communities

"Editor's Note: In this . . . [one of] a series of articles on interesting businesses in Lebanon [Pennsylvania] City and County, your Chamber of Commerce considers it a privilege to publicly acclaim a half-century of community service by the Lebanon County Trust Company.

"Good banks are essential to good communities. Lebanon, City and County—a good community—has good banks. Ever pioneers in community improvement, members of the Trust Company's official family have always rendered outstanding civic service. A half dozen are former presidents of your Chamber of Commerce. Others have served and are now serving in important C of C capacities.

"Good citizens make good banks; good banks make good communities; good communities make good banks."

—Lebanon City and County

"What might happen" won't happen

when you specify **YALE**

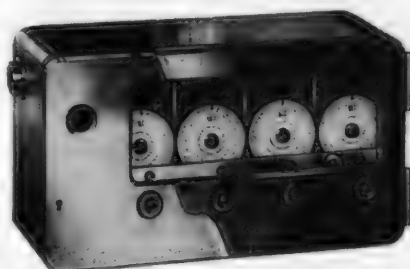
YOU KNOW the name YALE, of course—know it as a household word—a synonym for fine security locks.

But did you know that YALE makes many kinds of equipment for specific applications in your business? Yes, there are YALE locks and safety devices for bank vaults, doors and deposit boxes—equipment that *anticipates and prevents* so many of the emergencies and risks that can cause you worry.

Thousands of banking execu-

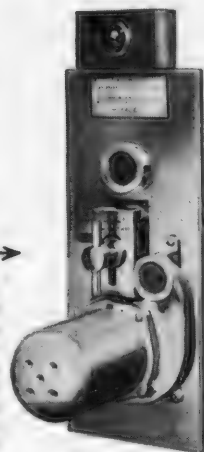
tives the country over can tell you that YALE's 83 years of experience in developing security equipment *plus* YALE service is a hard combination to beat. Both are available to you at any time.

For help with a specific problem, for information about any of the products shown below, or for all the facts on our complete line, write: The Yale & Towne Manufacturing Company, Dept. S-4011, Stamford, Conn. (In Canada, St. Catharines, Ontario.)

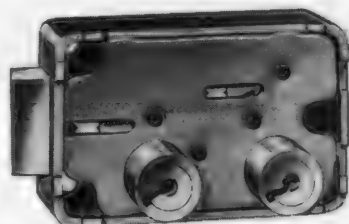


Yale 120-Hour Time Lock Movements give you freedom from weekend worry and annoyance, give you a full measure of extra security, even under the most extreme conditions.

Yale Emergency Vault Ventilator. A turn of the handle inside the vault forces in a continuous stream of fresh air, provides light and communication, prevents panic and costly emergency rescues of trapped personnel.



Yale Safe Deposit Locks, Series No. 5705. In this series are good security lever tumbler locks for door sizes from 1¼ to 10 inches. Flat or corrugated keys for both renter and guard. Many other types of safe deposit locks available.



YALE & TOWNE

YALE is the registered trademark of The Yale & Towne Manufacturing Company

Here's the **OUTSIDE STORY**

about **TODD**



Personal Money Orders

Todd Personal Money Orders are safe, fast, efficient. Issued in one operation—taking less than 15 seconds—they cut down costs and save teller time.

But that's only part of the story.

Outside the bank, Personal Money Orders are valuable goodwill builders. They carry the name of your bank—and a "sample" of your service—into homes and shops throughout the community.

People who have been paying bills with other kinds of money orders appreciate the prestige of signing their own Register Checks. It is a refinement of service that builds friends for your bank—helps you sell other bank services.

Wherever banking regulations permit, these Register Checks can be offered by stores and other non-banking outlets to bring you more customers and increase your profits.

It will pay you to find out more about the new Register Check Personal Money Orders.

Mail the coupon now!



THE TODD COMPANY, Inc., Dept. B,
Rochester 3, N. Y.
Please give us full information regarding the new Register
Check Personal Money Orders.

Bank _____

Address _____

City _____ Zone _____ State _____

By _____

B-11-51

News for Country Bankers

(CONTINUED FROM PAGE 56)

Offer of Short Course Scholarship

For the first time, The Grove City National Bank of Grove City, Pennsylvania, is offering a short course in agriculture scholarship for study at the School of Agriculture, State College, Pennsylvania.

Applicants, which are being considered by a committee of three, must be (a) interested in farming as a vocation; (b) a high school graduate; (c) not over 25 years of age; and (d) live in the Grove City trading area. The bank's action stems from a desire to encourage young people who expect to remain on the farm.

The short course offered at the School of Agriculture is given in January and February. The curriculum is rotated from year to year so that it will include all phases of farming.

This year's Grove City scholarship winner will have a choice of three possible courses, as follows: (1) General farming, which includes farm economics, machinery, management, forage crops and pastures, grain crops, and a choice of either potatoes and root crops or poultry husbandry; (2) dairy farming, which includes instruction in animal diseases, dairy cattle breeds and selections, dairy cattle feeding, dairy herd management, pasture and grassland management, milk secretion, and dairy cattle breeding; and (3) livestock farming, which includes classes in animal diseases, barn practices, slaughtering, feeding, breeding and selection, judging, management, and pasture and grassland management.

In discussing the Grove City National's scholarship plan, Executive Vice-president J. S. Armstrong said that "if the young people show an interest in a more complete program, the bank will seriously consider including such a program among its many community services."

Canadian Tobacco Growers' Contest

A TOBACCO contest, open to tobacco growers in Canada's "new
(CONTINUED ON PAGE 123)

Everyone wants money!



Christmas Club

is a Key that opens the door of opportunity
for Your Customers and You

Excerpts from letters received in recent competition conducted
by Christmas Club, A Corporation:

"My first modest Christmas Club account taught me the value of steady, weekly savings; it pointed the way to establishing a regular savings account into which I unfailingly deposit a percentage of my weekly earnings."

—Mrs. S. G.
Denver, Colorado



"The greatest service my bank has done for me is to educate me and convince me that the only way I'll ever have any money is to save out of each week's pay check. Christmas Club is helping me to do that. I am now well on my way to save for a home. I have enjoyed such personal services as having my papers notarized, a special checking account. But most of all I feel welcome at my bank and I have a perception of belonging there."

—Mrs. E. D.
Los Angeles, Calif.

"A Christmas Club account when I was young enabled me to stand on my own legs. This early lesson has stuck with me through the years. It taught me the value of the services offered by financial institutions—how to protect my earnings and how to pave the way for good sound investments. Financial institutions are the backbone, the solid rock of our community. The inspiration received from them has kept me and my neighbors from financial pitfalls."

—R. L. F.
New York City

Christmas Club brings people to your bank and gets them better acquainted with the services you offer.

Christmas Club, A Corporation promotes profitable business for banks.

• • •

Why not have the nearest Christmas Club, A Corporation staff member discuss the Christmas Club plan with you? He has every system for efficient operation and a wide variety of proven advertising material to build a profitable program to meet your local needs. (No obligation of course.)

Christmas Club

A Corporation

FOUNDED BY HERBERT F. RAWLL

230 PARK AVENUE, NEW YORK 17, N.Y.

BUILDS SAVINGS • BUILDS CHARACTER • BUILDS BUSINESS FOR BANKS

SPEED and EFFICIENCY
you never thought possible
in savings passbook and
ledger posting



The Incomparable New
Burroughs Sensimatic
window posting machine

Direct visible alignment of forms
 One-time alignment of forms
 Standard keyboard with easy
 key and motor bar depression
 Simplified motor bar selection
 Automatic balances
 Teller lock and locked control key.



There's a new standard of savings passbook and ledger posting efficiency in many banks today. It's a standard made possible by a completely new idea in savings window posting operations—the revolutionary new Burroughs Sensimatic with the "mechanical brain" that directs it automatically through every posting operation.

Here is a new posting machine with amazing versa-

tility, speed and ease of operation . . . a machine that handles either Unit or Dual posting plans.

Find out today how the Burroughs Sensimatic can save time, reduce posting costs, increase posting efficiency for your bank. And all at a surprisingly moderate cost, too. Call your Burroughs office for a complete demonstration. Burroughs Adding Machine Company, Detroit 32, Michigan.

WHEREVER THERE'S BUSINESS THERE'S

Burroughs



(CONTINUED FROM PAGE 120)

belt," was announced by the Bank of Montreal in a 6½" x 14¼" ad published in three newspapers covering the contest area. The ad included an outline of the rules of entry and judging.

Five prizes were offered by the B of M; the winning entries were displayed in the bank's booth at the Norfolk County Fair; and prizes were awarded on the closing day of the fair.

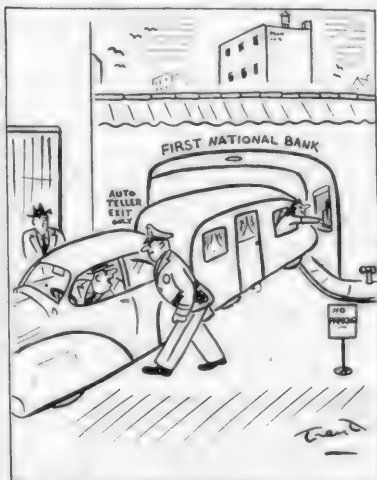
"This booth," said the ad, "is the only one ever sponsored by a bank at the fair. Further, it will display the prize winning hands of what is believed to be the first tobacco contest ever held by a bank in Canada."

National Agricultural Credit Committee Wields Influence

REPRESENTATIVES of government and private farm mortgage lending agencies attended the tenth anniversary meeting of the National Agricultural Credit Committee which was held in Chicago recently. This committee was organized in September 1941 and meets three times a year.

The anniversary meeting was held at the LaSalle Hotel, with the regular morning session at the Federal Reserve Bank of Chicago and the anniversary luncheon at the LaSalle. The afternoon program included the following speakers:

- (1) Presiding—I. W. Duggan, governor, Farm Credit Administration.
- (2) Ten years of the National Agricultural Credit Committee—E. C. Johnson, Farm Credit Administration.



"My wife likes to do her banking right at home!"

COLOMBIA

Land of American Opportunity

In the years ahead, few countries in South America will offer U. S. business such broad and vital trade opportunities as Colombia. All signs point to a substantial increase in Colombian travel — export and import trade — development of new industries or expansion of existing local industries.

Progressive U. S. banks and business organizations know these facts — are establishing correspondent relations in Latin America, notably in Colombia. In increasing numbers they are taking advantage of the exceptional and complete banking facilities provided by this 39-year-old institution.

With 25 offices, located in all important commercial centers, trade information is quickly gathered and forwarded to you. Special departments are available to handle your collections and letters of credit.

Inquiries cordially invited.

BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices — *Bancoquia*

Capital paid-up	\$15,000,000. — Pesos Colombian.
Surplus	\$11,000,000. — Pesos Colombian.
Other reserves	\$2,400,000. — Pesos Colombian.

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (2), BOGOTA (3), Bucaramanga, Cali, Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Magangué, Manizales, Medellín (1), Montoria, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (S).

New York Representative—Henry Ludeke, 40 Exchange Place, New York 5, N. Y.

*I still say the best office forms
are on WESTON BOND!*

It's true! Well informed buyers know that Byron Weston Company makes the finest papers for business forms and correspondence. They know, too, that WESTON BOND, a rag content paper, is low in cost. No matter how you figure it, WESTON BOND is your best choice for letterheads and forms. Made by Byron Weston Company, Dalton, Mass. Write for sample book.

Address Dept. BA

WESTON BOND

Made by the Makers of OLD HAMPSHIRE BOND and a Complete Line of Papers for Business Records





Now SEATTLE celebrates its CENTENNIAL

In the past 100 years, Seattle has grown from the untrodden wilderness to a city of half a million people—the youngest city of its size in America.

As the metropolis of a vast region in the Pacific Northwest, the Gateway to Alaska, the World Port nearest to the Orient, where commerce and industry promise far greater developments in the future, Seattle offers many opportunities.

Serving this city and the entire State of Washington for 81 years of that century, The Seattle-First National Bank, with its 52 branches, is the financial heart of this region.

Executives at any of our offices will gladly assist you with detailed information about the resources and opportunities of the Pacific Northwest.

A QUARTERLY PUBLICATION of this Bank giving a careful review and digest of business and industrial conditions in the Pacific Northwest will be mailed to you regularly upon request.



SEATTLE-FIRST NATIONAL BANK

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

(3) Trends in agriculture and their relations to agricultural financing—Jesse W. Tapp, executive vice-president, Bank of America N.T. & S.A. Member, Agricultural Commission, A.B.A.

(4) Farm mortgage lending by life insurance companies—Glenn E. Rogers, vice-president, Metropolitan Life Insurance Company.

The influence of the National Agricultural Credit Committee has been very helpful to the banks. While the banks are the largest institutional lenders in the farm mortgage field, they extend a type of credit that is generally for short-term purposes.

Following World War I, when land prices hit new highs, the farmers and lenders had great losses because they did not foresee that the high prices could not be substantiated with commodity prices. In September 1941, when the committee was organized, it set out a number of objectives to help lenders. The following five steps were emphasized to insure a sound future for agriculture and farm lands:

(1) Make normal values a primary factor in all appraisals for farm real estate loans.

(2) Impress upon present borrowers the wisdom of making use of higher income now available for the repayment of existing debts.

(3) Encourage farmers to build reserves out of higher incomes today to bridge the period when incomes are not so high.

(4) Avoid fostering speculative increases in production but at the same time extend credit to farmers for making sound and necessary shifts to meet the needs for food for the defense program.

(5) Encourage the sound uses of credit to foster a better balanced agriculture, yielding a higher and more secure standard of living to the family-type farm.

Through the years the National

"Think of it, Ed! Our wives can sit still and show a dividend!"



Agricultural Credit Committee has been supported and maintained by all farm mortgage lenders, including: Life insurance companies, mortgage loan companies, Federal Land bank, Farmers Home Administration, the A.B.A., Board of Governors of the Federal Reserve System, the FDIC, the Farmers Union, the American Farm Bureau Federation, The National Grange, The National Council of Farmer Cooperatives, Farm Foundation, and the Land Grant colleges.

Gonzales' Ag Clinic

SUBJECTS discussed at a recent bankers agricultural clinic in Gonzales, Texas, attended by bankers from an 18-county area in South Texas, included: "Bankers Stake in Soil Conservation"; "Opportunity and Responsibility of Bankers to P.M.A. Program"; "A & M College in Agriculture"; "Observation in Extension Education"; and "Bankers' Opportunity in Agriculture."

The program for the first such meeting in this area was arranged jointly by V. G. Young, extension service agent and by V. S. Marett, president, and George V. Holmes, vice-president and agriculturist, Gonzales State Bank.

Bank Gives Away 5,000 Fair Programs

THE twenty-first annual 4-H Club fair at Fremont, Nebraska, was marked by the First National Bank of Fremont with the issuance of a souvenir program. This booklet traces the history of the fair, pictures of the 4-H leaders crowned at each year's event, and gives a brief sketch of the fair's two-term general chairman, who has been connected with the fair since its organization in 1931.

Over 5,000 copies of the folder were distributed at the fair.

It's getting so a man of character is one who won't go back on his word without consulting his lawyer.

An ignoramous is better informed than a person who knows what isn't so.

Ignorance in diapers is one thing, but it's another thing in striped pants and a homburg.



Diebold "DRIVE-IN" BANKING builds NEW depositor business

It's a fact that installing Diebold Drive-in Banking quickly adds a sizeable volume of new depositor business. Why? . . . Because Diebold units offer the features that mean quick, efficient "drive-in service"—the result of Diebold pioneering in both Drive-in and Walk-up banking . . . Because Diebold offers several styles, you can choose the model that best suits your bank . . . Because Diebold helps you on your new "drive-in" or "walk-up" service with promotional aids and assistance. All these facts make Diebold Drive-in Banking your natural first choice. Review all the facts with a Diebold Bank Specialist today.

Drive-in or Walk-up, there're models and styles
to suit your particular requirements.



SEND COUPON TODAY FOR FULL DETAILS ON "DRIVE-IN" BANKING

BANK VAULT EQUIPMENT • BURGLAR ALARMS
SAFES, CHESTS AND VAULT DOORS • MICRO-
FILM • ROTARY, VERTICAL AND VISIBLE
FILING EQUIPMENT

DIEBOLD, INCORPORATED
2009 Mulberry Road, S. E., Canton, Ohio

I'm interested in ☐ Drive-in Units,
☐ Walk-up Units, ☐ Have your Bank
Specialist call with complete facts.



NAME _____
TITLE _____
BANK _____
CITY _____ STATE _____

"PRE-EMINENT SINCE 1859"

The Banker's Immediate Task

C. FRANCIS COCKE, *president of the American Bankers Association and of the First National Exchange Bank of Roanoke, Virginia, addressed the convention of the Nebraska Bankers Association in Omaha last month on "The Banker's Immediate Task."* Excerpts from Mr. COCKE's remarks follow:

WE are living in a country that still has a democratic form of government. In an election year, bitter things are said about the candidates of each party and about their respective platforms. But when the election is over, the candidates chosen by the people take office. That then becomes our Government. If we do not like the way that party runs the Government, then in four years we can go to the polls and try to elect a new governing group. We may not agree with what's going on in Washington, but it's our Government, and we must work with it. Unless the people and the Government work together, we cannot successfully meet the challenges which lie ahead of us. Because this country has so large a debt, and because almost every act of the Government affects the country's economic life, there is no one segment of the American people who by the force of circumstances must work closer with the Government than the bankers. The history of our country is resplendent with the achievements of the bankers who have helped the country meet its financial problems and to aid the Treasury Department in its efforts to raise funds, particularly in times of war and other national crises.

A FEW weeks ago the Government Borrowing Committee of your Association sat down with the technical staff of the Treasury Department to consider some of these problems. The effects of the huge prospective national budget upon the lives of the American people are alarming. The budget is not the handwork of the Treasury Department. It is the result of the recommendations of the President of the United States and of appropriations voted by both houses of Congress. When it is finally agreed upon by both houses of Congress and signed by the Presi-

dent, then it becomes the job of the Treasury Department to raise the funds and to have them available when needed. At the proper time, the Treasury Department makes its announcements concerning the amount to be raised and the financing and refunding methods to be adopted. Whether we approve of all the spending or not, the bankers must necessarily help in the placement, distribution, and other work in the management of the debt.

THE staff of the Savings Bond Division of the Treasury Department does not sell bonds. Its function is to organize, coordinate, guide, and service the tens of thousands of volunteers who support this program in every part of the country. The bankers have always played an important part in this volunteer sales program. Approximately 85 percent of the \$56-billion of Savings Bonds now held by the public have been sold or distributed by the banks. The merchandise we are selling is one of the best investments a family may own. The Savings Bond program is fitted to the smallest wage earner and to the highest salary paid individual through the payroll deduction and bond-a-month plans.

We have heard a great many expressions of concern because some people who bought Savings Bonds have cashed them. The interesting and very significant thing to note is that the redemptions have been in the larger denomination bonds—\$500 and \$1,000. . . . The sales and redemptions of the smaller bonds—\$100 and less—have held level. These bonds are owned for the most part by purchasers who are on the payroll deduction plan. The number of these purchasers is actually increasing, not decreasing.

THE trend of business loans since the Voluntary Credit Restraint Program began last spring offers striking evidence of the value and importance of the program. We are in a most unusual and difficult period. On the one hand, there is a vital need to finance defense production, and the banks should be and are financing it. On the other hand, loans for nondefense purposes that

might contribute to inflation are rightfully being discouraged.

Since the end of March, the net rise in business loans of weekly reporting member banks has been only 40 percent of the same period last year. It has been only in recent weeks that a seasonal expansion of loans for movement of commodities to market and other purposes has gotten under way; and this seasonal expansion has been well below last year. Business loans at the end of July, furthermore, were slightly below the end of March, in sharp contrast with 1950, when the summer months saw a very sharp expansion of credit demand.

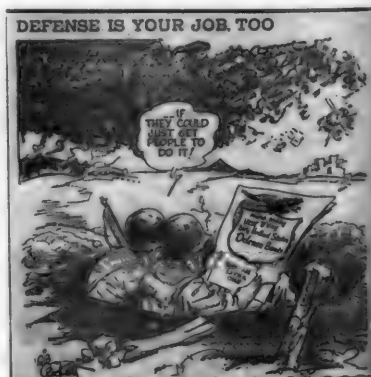
"Defense Is Your Job, Too," Says Bank Ad

ONE of the most effective U. S. Defense Bond advertisements to come to BANKING's attention in recent weeks was the one-third page ad used in the local press under the title, "Defense Is Your Job, Too," by the Farmers Bank and Trust Co., of Marion, Kentucky.

The patriotic copy used with the front line illustration furnished by the U. S. Savings Bond Division (reproduced in miniature at the bottom of the page) was composed so BANKING learns, by Executive Vice-president Hollis Franklin upon his return from a church conference in England this past summer. The copy reads:

"DEFEND AMERICA BUY U. S. DEFENSE BONDS

"Sometimes even the great things
(CONTINUED ON PAGE 128)



More Postings...



UNDERWOOD SUNDSTRAND
for posting *DEPOSITORS*
CHECK ACCOUNTS

...with LESS FATIGUE



Underwood Corporation

Accounting Machines . . . Adding Machines
Typewriters . . . Carbon Paper
Ribbons

One Park Avenue New York 16, N. Y.
Underwood Limited, Toronto 1, Canada

Sales and Service Everywhere



Underwood Sundstrand's modern 10-key keyboard eliminates the fatigue and strain which results from swinging the head from side to side when posting.

With only 10 numeral keys—all grouped under the fingertips of one hand—the touch method of operation is a natural result.

There is no need to look at the keyboard . . . no tiresome left to right headswing which results from constantly shifting the eyes from posting media to the keyboard.

The operator's eyes are focused on the posting media for continuous, effortless posting. As a result, operators maintain a higher sustained volume of production over a longer period of time.

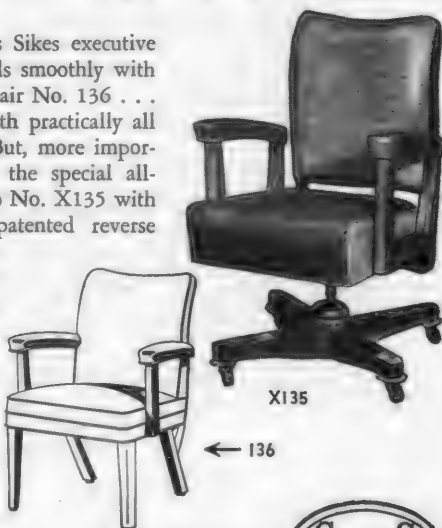
Get the whole story on the Underwood Sundstrand Posting Machine. Send for the new folder "The Modern Way" or call your local Underwood office for complete details.



FORMULA FOR COMFORT AND DIGNITY

X 135 + 136 = Seating Satisfaction

The famous Sikes executive posture chair No. X135 blends smoothly with the handsome matching leg chair No. 136 . . . and both blend flatteringly with practically all office decorating treatments. But, more important than fine appearance, is the special all-day working comfort built into No. X135 with its fixed-floating seat and patented reverse spring action. Both chairs are upholstered in genuine leather . . . in a choice of colors to harmonize with the finest executive offices. There is a Sikes dealer near you. Talk to him about these elegant matching chairs soon!



SIKES furniture

THE SIKES COMPANY, Incorporated
24 Churchill St. Buffalo 7, N. Y.



(CONTINUED FROM PAGE 126)

of the world look even greater at a distance.

"Half heartedly, perhaps, the one who has written the ads for the institution whose name appears at the bottom of this section of the paper has looked upon America as a great country and has said so on frequent occasions.

"That viewpoint was taken for granted and at close range. For the last month, however, he has looked at the matter from a different angle and from 'across the sea.' America is a great land. Kentucky is a great state. Crittenden County is a great county, and, advisedly, he uses the adjective 'great' in each instance and does not retract from his usage thereof.

"America is worth defending. Kentucky is worth defending. Crittenden County is worth defending, and all of us can help in this matter by buying U. S. Defense Bonds . . . the financial bonds which bind us closer together in purpose and purposefulness in the determination to keep this land of ours really great and worthy, even now, of the most extravagant things which could be said about it.

"America has its faults, of course, and its imperfections for the simple reason that its affairs are administered by human beings, but even with its faults and with its imperfections, it surely must be the most prosperous and the grandest country upon which the sun shines today."

Modern youth may not always blaze new trails, but they certainly burn up the roads.

Necessity may be the mother of invention, but so is an aversion to work.

Politics may go low, but it always comes high.

If some persons preached what they practice, it would have to be censored.

A low-brow tells what he thinks. A high-brow tells what others think.

Unfortunately matrimonial bonds today are often of short maturity with low interest.



The

PACIFIC NATIONAL BANK

of Seattle



Your customers can profit from this bank's alert understanding of Pacific Northwest business.

Member Federal Deposit Insurance Corporation



Mercantile Trust Company—a consolidation of the former Mississippi Valley Trust Company and Mercantile-Commerce Bank and Trust Company—now offers greatly expanded facilities, lending capacity, capital strength and personnel. The Banks and Bankers Department of Mercantile Trust Company has been enlarged as a result of the consolidation.

Whatever your requirements, routine detail, or major transactions, call on *your* Mercantile Trust representative.

Our Banks and Bankers Department Serves YOUR Bank

Banks and Bankers Department

WILLIAM O. CRAWFORD... *Vice President*
LEO D. KELLY... *Vice President*
M. C. HOOK, JR.... *Asst. Vice Pres.*
A. W. HUEY... *Asst. Vice Pres.*
ROY V. LEONARD... *Asst. Vice Pres.*
CHARLES B. SHAPARD... *Asst. Vice Pres.*
JOHN F. WILKINSON... *Asst. Vice Pres.*
H. F. CHALFANT, JR.... *Asst. Cashier*
PETER S. DAUST... *Asst. Cashier*
JOHN H. MEIKLE... *Asst. Cashier*
JOHN PISARKIEWICZ... *Asst. Cashier*
ED. E. SPIESBACH... *Asst. Cashier*



MERCANTILE

LOCUST • EIGHTH
ST. LOUIS 1,



TRUST COMPANY

SEVENTH • ST. CHARLES
MISSOURI

Member Federal Deposit Insurance Corp.

CAPITAL AND SURPLUS \$35,000,000

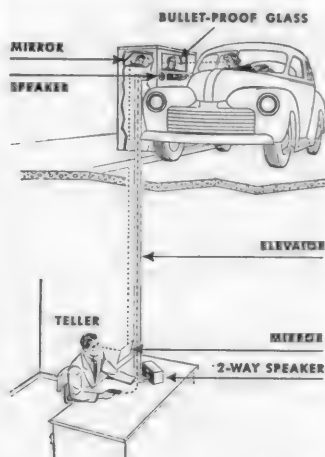
City Officials join Bankers

HERE'S HOW THIS EXCLUSIVE PATENTED MOSLER UNIT WORKS

1. CUSTOMER PULLS UP to "Snorkel," which is within easy reach of car window.

2. TELLER (located below sidewalk) and customer see and hear each other by means of mirrors and speaker system.

3. ELEVATOR DEPOSIT UNIT is brought down, and sent up by the teller, completing a normal transaction in less than half a minute!



WHICH OF THE "SNORKEL" advantages is of greatest importance to *your* bank? The quick, convenient service that builds good will and wins new customers? The solution of parking and traffic problems? Or the relief from congestion inside the bank?

You'll probably find, as banks all over America are finding, that it's the *combination* of these and many other ad-

vantages that makes the "Snorkel" such a tremendous asset.

Why not find out how this exclusive patented Mosler product can provide convenient drive-in banking for your customers—even though you are located in a busy downtown area, and have no space for a conventional drive-in window. Just mail the coupon below for complete information. Do it now!



in praising **SNORKEL**

TRADE MARK REG.

Exclusive patented Mosler-Duplex Snorkel Teller solves traffic problems outside and inside the bank

"Our peak day resulted in serving 371 cars making 451 deposits. On a recent Saturday morning following a holiday, we served 321 drive-up customers making 401 deposits. This approaches two a minute in that three-hour period."

*Neil N. Muzzy, Comptroller
Union Trust Company
St. Petersburg, Florida*

"Almost invariably our customers have mentioned the fact that this new service will save them from twenty to thirty minutes each time they make a deposit."

*Leslie K. Curry, Vice President
Mercantile—Commerce Bank and Trust Co.
Saint Louis, Mo.*

"These installations are just good business for the City. We traded, in this instance, three parking spaces for 150 spaces that

would have been necessary had the customers had to park and enter the bank."

*Henry A. Barnes, Director
Traffic Engineering Section
City and County of Denver, Colorado*

"We are doing a large business with the Snorkel Teller. Last Saturday between nine and twelve we served 76 cars."

*J. H. Yost, Cashier
Farmers and Merchants National Bank
Winchester, Virginia*

"The curb depositories definitely relieve the traffic flow in regard to double parking around the banks. There is no additional enforcement problem. In fact, they relieve enforcement problems."

*R. G. Haskin, Chief of Police
City of Boise, Idaho*

A PARTIAL LIST OF AMERICAN BANKS LOCATED COAST TO COAST NOW USING THE "SNORKEL" CURB TELLER

Texas Bank and Trust Co.	Dallas, Texas	First National Bank	Lubbock, Texas	Florida Bank	Orlando, Fla.
Mercantile—Commerce Bank & Trust Co.	St. Louis, Mo.	Farmers and Merchants National Bank	Winchester, Va.	First National Bank	Beaumont, Texas
American National Bank	Portsmouth, Va.	First National Bank & Trust Co.	Macon, Ga.	Fidelity Union Trust Co.	Newark, N. J.
Colorado State Bank	Denver, Colorado	American National Bank	Beaumont, Texas	First National Bank	Orlando, Florida
Idaho First National Bank	Boise, Idaho	First National Bank	St. Paul, Minn.	Granite Trust Company	Quincy, Mass.
Central National Bank & Trust Co.	Des Moines, Iowa	The American National Bank	St. Paul, Minn.	First National Bank	Fort Smith, Ark.
Wachovia Bank & Trust Co.	High Point, N. C.	The Liberty National Bank & Tr. Co.	Savannah, Ga.	First National Bank	Tampa, Florida
Franklin Trust Company	Peterson, N. J.	El Paso National Bank	El Paso, Texas	Georgia Railroad Bank & Trust Co.	Augusta, Ga.
Union Trust Company	St. Petersburg, Fla.	National Bank of Commerce	Lincoln, Neb.	Exchange National Bank	Tampa, Florida
First National Bank	Albuquerque, N. M.	National Bank of Commerce	Seattle, Wash.		

The **Mosler Safe Company**
Since 1848
HAMILTON, OHIO

*World's largest builders of Safes and vaults
...Mosler built the U.S. Gold Storage Vaults
at Ft. Knox and the famous bank vaults that
withstood the Atomic Bomb at Hiroshima*

The Mosler Safe Company, Dep't. B-11
Hamilton, Ohio

Please send me, without obligation, further information on the Mosler-Duplex "Snorkel."

NAME _____

ADDRESS _____

CITY _____

ZONE _____

STATE _____

Methods and Ideas

(CONTINUED FROM PAGE 36)

"Another feature was the announcement that the bank would open \$1 savings accounts for every baby born during the three days.

"Employees were dressed in costumes of 1850. We also had several old stagecoaches and covered wagons advertising the celebration in front of the main office."

More than 40,000 adults visited the bank and its branches during the centennial festivities.

New Bank Costs Manual

THE National Association of Bank Auditors and Comptrollers, Chicago, has just published a bank cost manual for the use of smaller as well as larger banks.

Entitled *Bank Costs*, the 418-page book, containing more than 150 tables, is offered as an aid in breaking down "the reluctance toward the installation of cost systems." The work was done by the association's Bank Cost Committee.

The manual provides an actual application of a cost procedure. It covers these subjects in detail: Gen-

eral principles; cost accounting figures for smaller and larger banks; terminology; the cost profit and loss statement; distribution of expenses to departments; development of departmental activity or production data; departmental statements of expense and activity; distribution of departmental expenses to functions; computation of unit or item costs; distribution of income to functions; preparation of functional profit and loss statements by relating earnings to sources and uses of funds; and branch costs.

The preface points out that cost accounting principles are the same for all banks, although the larger ones may need greater refinements in procedure to obtain the maximum value of available data.

"The committee approach," it explains, "has been to present a simple but thorough basic plan for cost determination coordinated with additional material explaining and illustrating more detailed procedures for use by banks which desire such information. Therefore, any bank using this manual can exercise its own judgment as to the extent to which it wishes to develop its cost work.

"No attempt was made to design a separate set of cost accounting records to be maintained in addition to the bank's ordinary accounting records. The method offered is that of a set of worksheets which will permit a bank to translate its ordinary accounting records into cost accounting figures."

Any bank, the committee continues, can produce cost figures ranging from highly accurate data to

THE KERR CHANGEPOINT STORY:

In the Top Ranks of the Nation's Banks!



Kerr Changepoint Fountain Pens and Perpetual Calendars are designed primarily for banks and bank customer service. They are fortified to withstand constant use and abuse, yet add the finishing touch of beauty and distinction to bank counters. All Kerr Pen parts are easily replaceable and the calendars last forever. Standardize on Kerr counter sets.

Other designs in Bronze, Chrome or Aluminum; Single or Double Face.

Write for Illustrations and Prices.

W. K. KERR PEN COMPANY
TULSA 10, OKLAHOMA

Melvin Rouff, right, president of the Houston National Bank, gives Garrett McGowan a check for \$500, first installment of a \$2,000 four-year scholarship in banking and finance at the University of Houston. The bank will award the scholarship annually to a high school senior boy, as reported in July **BANKING**



those "so inaccurate as to be unsafe for use." However, a shortcut procedure should be used "only if it will not materially distort true results such as are produced by the highly accurate procedures. The test of short cut methods and less accurate figures is their effect when used in shaping bank policy. It would be better to have no cost figures than to have figures based on faulty shortcuts that do not tell the true story and, therefore, mislead. Because any shortcut is dangerous until proven against the more detailed method, the committee has leaned toward greater accuracy."

In a statement accompanying the book the NABAC observes that many erroneously assume bank cost accounting is too complex a job.

"A bank's profit and loss statement," the association asserts, "may paint a happy picture dollar-wise, but to place complete reliance on the profit and loss statement as a barometer of earning capacity of all functions might be pound foolish. Without a cost system, it is impossible to determine accurately whether all functions are money-making propositions, and whether every department is on the healthy black side of the ledger. Accurate and fair service charges and other rates cannot be established without a complete cost accounting system—one that indicates exactly the dollar demands of each department, each specific function."

The NABAC cost committee's members are: Clarence H. Lichtfeldt, comptroller, First Wisconsin National Bank, Milwaukee, chairman; Charles C. Looney, comptroller, Harris Trust & Savings Bank, Chicago; O. B. Lovell, comptroller, First National Bank, Madison, Wisconsin; Alvin J. Vogel, vice-president, Central National Bank, Chicago; George W. Weger, assistant auditor, First Wisconsin National Bank; J. C. Gibson, professor of accounting, University of Wisconsin School of Commerce, consultant; and Harry E. Mertz, secretary to technical committee, NABAC.

Employee Training

THE MERCANTILE NATIONAL BANK at Dallas has started a thoroughgoing training and indoctrination course for new employees, and plans to expand the program to include more specialized preparation for

staffers who are promoted or transferred to another department.

The bank reports that trainees completing the present two-week course for beginners are six to eight weeks ahead of other new employees in "know-how." It believes the method "will reduce materially the cost of training a staff member."

Men and women joining the staff spend a week on the fundamentals of banking and a similar period observing the operations and functions of the bank's departments. Various instructive tours are arranged—to the Dallas Clearing House Association,

for instance—and the students listen to talks by department heads. The various bank services are carefully explained; emphasis is placed on customer contacts and the importance of the individual in the bank.

At the end of the first week there's a written examination on the academic work. After the second week a final test covers the entire course. The grade becomes a part of the employee's personal record, and also helps discover his or her special aptitudes, leading to placement in the right job.

When the program is expanded



SPEED

Prompt service . . . along with all the facilities that a truly modern bank has to offer . . . is another reason why you'll like doing business with us.

1ST
THE FIRST
NATIONAL BANK
IN ST. LOUIS

Member Federal Deposit Insurance Corporation

FIRST NATIONAL BANK IN ST. LOUIS

to cover the experienced employee, it is planned to give at least a week's training for the worker's new position.

The bank is making the course as realistic as possible. Plans are to set up a dummy cage where new employees can accept deposits, cash checks, and work with cash tickets. It also hopes to have machines, with dummy racks, and checks and deposits to sort.

Trainees are urged to continue their studies in American Institute of Banking courses. Supplementing the instruction is a booklet that tells

the location and function of the operating departments, bank policies, employee benefits, etc. It's illustrated with cartoons.

The course was started by James L. Bryson, personnel officer, and C. Glenn Cole, vice-president and cashier. The instructor is Fred Ennen, who has had many years of banking experience.

Community Center

THE center of the NORTHWESTERN NATIONAL BANK's street floor in Minneapolis is now being used by the

bank as an information booth and by civic organizations as a downtown headquarters for fund drives.

President Joseph F. Ringland has invited such organizations as the Red Cross, Aquatennial Association and Community Chest to make themselves at home in the space while campaigns are in progress. The lobby has a daily traffic of 25,000 persons.

Information about the bank, the building, the city, and municipal events is available at the center. There's also a "help yourself" bowl of coins where the public can make change.

INVESTMENT VALUES IN *Municipal* *Bonds*



ODAY THE BANK INVESTMENT executive finds municipal bonds available to fill almost any requirements of safety, salability and yield.

Never before has he had the variety of issues to choose from, nor such a large number of bidders if he has bonds to sell. And he enjoys an excellent buying atmosphere because of the strong primary market and a steadily increasing activity in the secondary market.

¶ These facts, coupled with the tax-exempt feature of municipals, their long record of stability, and their serial maturities that adapt to varying investment needs, provide advantages that are gaining ever increasing attention from bank investors.

¶ Halsey, Stuart & Co. Inc. makes municipal bonds available to banks and other conservative investors in whatever quantities may be desired. Send without obligation for our latest offering list.



HALSEY, STUART & CO. INC.

123 SOUTH LA SALLE STREET, CHICAGO 90 • 35 WALL STREET, NEW YORK 5
AND OTHER PRINCIPAL CITIES

Pointers for College Students

BANK OF MONTREAL's campaign to build an appreciation of money management among college students by means of cartoon ads in undergraduate publications throughout the Dominion is off on a fresh tack this year.

The popular Canadian artist, Doug Wright, has created two new characters, "Wilbur and Gus." In wordless drawings they go through startling but amusing financial misadventures that are the result of highly inexpert advice. The only copy in each ad—except for the heading "Wilbur and Gus and the B of M"—

A message in pictures

Wilbur and Gus and the B of M



FOR expert advice on money matters call on



BANK OF MONTREAL
Canada's First Bank

is the phrase: "For expert advice on money matters call on . . . Bank of Montreal."

This institution has had several "college" series. It carried a playboy, Egbert, through four years of campus antics (1946-1949), and before he was graduated he had become well known to undergraduates from coast to coast in the Dominion. Last year the bank used a variety of campus situations which not only carried money management messages, but added humor to student magazines and newspapers.

"Bank Week" Variant

The two banks of Fremont, Nebraska—FIRST NATIONAL and FREMONT NATIONAL—gave a somewhat different twist to Nebraska Bank Week by inviting an ex-Nebraskan, Richard W. Trefz, to address a luncheon at which the town's service clubs were the banks' guests.

Mr. Trefz, now president of the Arkansas Valley Bank, Pueblo, Colorado, and chairman of the A.B.A. Country Bank Operations Commission, was formerly president of the Beatrice State Bank. More than 200 businessmen were present.

Ads with a Chuckle

STATE-PLANTERS BANK AND TRUST COMPANY of Richmond, Virginia, ran a series of eight ads promoting its special checks and checking ac-

One of the ads



**Old Doc Smart's
SURE CURE for B.P.F.***

She was all worn out. She fell in a chair.
(Bill paying can make people weary.)
Doc Smart knew her trouble, and so with a flair
He prescribed for her some Planners' CHECK.

Send the Doc. "You can banish 'Bill Paying Fatigue,
And pay bills the homesteadlike way.
Use CHECK. Be smart. You'll be safe and save money.
Two dollars for money—the red book is a honey."

Hurry for my State Planners' CHECK account!
I always pay bills by mail.
Bill Paying Fatigue is a thing of the past.
I recommend CHECK—no doubt about it!

You are cordially invited to open your CHECK account
at any of our conveniently located offices

counts. Illustrated with cartoons, each piece of copy included two or three verses bringing in the slogan "Banish Bill-Paying Fatigue." Below is a sample.

In Brief

FIRST AMERICAN NATIONAL BANK of Nashville is sponsoring full-length movies on television. The program is carried Sunday evenings.

THE DIME SAVINGS BANK of Brooklyn opened its Bensonhurst branch for a Saturday "open house." From 9 A.M. to 9 P.M. visitors saw demon-

strations of operating equipment, and heard explanations, by the officers, of modern banking methods and services. The purpose, President George C. Johnson said, was "to remove some of the mystery of banking." Guests and new customers received souvenirs, and there were several door prizes. It was the branch's 26th anniversary.

CALIFORNIA BANK, Los Angeles, has assembled in a brochure reprints of 25 advertisements saluting California industry. The series has been running for the past several years.



It Happens All The Time!

A widow is worried about the future. Her husband's securities were just fine for his objectives—but how about hers? What should she buy, sell, or hold to protect her capital? Whom can she ask? . . . **Her banker.**

Some customer, some classmate, some friend gets a "hot-tip" on the market—a hunch on some stock. Fortunately he remembers to check the facts first. Whom does he consult? . . . **His banker.**

Any number of people with extra savings may want to start an investment program—have no idea what to buy or how to begin. Where do they go for help? . . . **Their banker.**

Beyond the call of duty?

Well, not if you ask most bankers. They do all they can to help.

That's why we're pleased that so many of them have found good use for our services.

For instance: Our Research Department has reviewed scores of portfolios at the request of bankers . . . analyzed hundreds of stocks in terms of specific holdings and different objectives . . . planned individual investment programs for \$5,000, \$50,000, \$500,000.

For instance: We'll mail any banker our *Security and Industry Survey*—a quarterly report on some 30 industries and 300 important companies . . . or our studies on different industries, such as "Railroads", "Chemicals", and "Steel and Metals" as they're published . . . or our latest one-page *Stock Appraisals* on 100 or more of the most popular stocks.

If you think these reports and services can help you to help others, just ask.

There's no charge, no obligation. Simply address—

Banking Department "88-A"

MERRILL LYNCH, PIERCE, FENNER & BEANE

70 PINE STREET

NEW YORK 5, N. Y.

Offices in 97 Cities

how to make your Letterhead Represent your Business



Your callers form an impression of your organization from your building, reception room, offices or sales room. Readers of your business letters must form their impression from your business stationery alone. This is why the design of your letterhead, the information it contains, and the quality of paper and printing are so important.

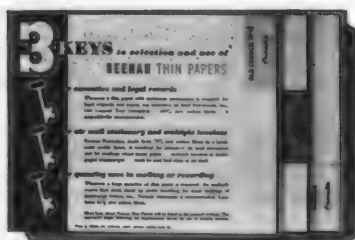
Many useful ideas for creating letterheads that will adequately represent your business are contained in a portfolio, *The Psychology of Business Impression*. Thousands of business executives throughout America have found value in this original contribution to the letterhead problem. A Test Kit of 24 basic letterhead treatments, including type specifications and production processes, is included. Write for free copy on your business stationery.



NEENAH THIN PAPERS

This unusual portfolio shows you how mailing costs are being cut, and office efficiency improved, by proper use of thin papers for air mail stationery, multiple invoices, multi-page reports, etc. One or more of the Neenah Onionskins will fit your thin paper problems. Write for a free copy.

NEENAH PAPER COMPANY • NEENAH, WISCONSIN



Holiday Letters

(CONTINUED FROM PAGE 37)

Letters for Mailing to Old Bank Customers

Dear Mr. Graham:

With 1952 just around the corner, this little note brings you our hearty good wishes for a Merry Christmas and a Happy, Prosperous New Year.

Your business friendship over the past several years has meant much to us. We hope your association with the City National Bank has been as pleasant to you as it has been to us.

Your preference for this bank is very much appreciated, and we shall try to be worthy of it for many more years.

Sincerely yours,

* * *

Dear Mrs. Jackson:

On the threshold of the New Year this personal note comes to you with a twofold mission.

First, to tell you how much we have appreciated your confidence in the Central National Bank during 1951, and how earnestly we shall strive to deserve it throughout the coming year.

Second, to express the sincere hope that 1952 will be a year of good health and happiness for you and yours.

Cordially,

* * *

Dear Mr. Benson:

As we come to the end of 1951, it is a pleasure to thank you for the business you have entrusted to us during the past year.

We hope your association with the First National Bank has been as pleasant to you as it has been to us. Your confidence in us is deeply appreciated, and you can be sure of our continued effort to be worthy of it.

Best wishes for a Merry Christmas and a happy, successful year in 1952.

Sincerely yours,

* * *

Letters for Mailing to New Bank Customers

Dear Mrs. Warner:

As the holiday season draws near, we pause to send you cordial good wishes for a Merry Christmas and a Happy New Year.

During the year now closing, we had the pleasure of welcoming you as a customer of the Security National Bank. Your confidence in us, as evidenced by the opening of your account, is very much appreciated. We shall do our utmost to be worthy of it during 1952 and for many years to come.

Sincerely yours,

* * *

Dear Mr. Briggs:

As the holiday season approaches and 1951 draws to a close, I want to send you this personal word of thanks for your business friendship.

Your account at the First National was opened within the past year, and we take genuine pride in your preference for this bank. We shall make every effort to deserve your confidence and patronage for many more years.

The other officers of the bank join me in wishing you an enjoyable holiday season and a happy, prosperous year in 1952.

Sincerely yours,

Government Bonds

(CONTINUED FROM PAGE 46)

cates, and notes rose over \$1,950,000,000 for commercial banks, and nearly \$200,000,000 for life and other insurance companies, declining about \$540,000,000 for the Federal and Treasury accounts and over \$100,000,000 for mutual savings bank, and "all others." The difference between the total of purchases and the total sales resulting chiefly from the issuance of about \$1.5-billion of 1½ percent certificates in place of the 2¾ percent bonds.

These shifts of ownership represent only about ¾ of 1 percent of the more than \$151-billion of Government securities covered in the tabulations. On the whole it seems correct to say that under the circumstances the total transactions were much less than might have been expected, and indicate that the great part of Government securities are very firmly held.

It is interesting to see that the commercial banks increased their ownership of the longest eligible 2½ percent bond. On June 30 they held \$2,270,000,000 of the \$2,716,000,000 of the outstanding 2½s 9/15/72/67, \$94,000,000 more than on March 31, and over 85½ percent of the issue.

Combining the ownership of the non-marketable 2¾ percent bonds 1980/75 with the longest ineligible 2½ percent bonds 1972/67, both the June and December issues, and comparing the March 31 and June 30 totals, we find that all groups of owners except the U. S. Treasury investment accounts and the Federal Reserve made slight reductions in their holdings, like this: Savings banks, \$116,000,000; commercial banks, \$82,000,000; all others, \$56,000,000; life insurance companies, \$23,000,000; other insurance companies, \$3,000,000; total, \$280,000,000, which was the amount added to the Treasury and Federal portfolios. Again the net changes were inconsiderable as a percentage of the over \$19.5-billion of the two issues of 2½ percent bonds which were outstanding on March 31.

Figures like these remind one of the story of the question asked of a Boston dowager, "Where did you buy that hat?", and the calm reply, "My dear, we don't buy our hats, we have them." At the present time, all groups of owners are not buying Government securities. They have them.



"Who, what, why, where, and how much?"

Gluck

Letter from an officer
of a large eastern trust company
that first used Purse service
in 1928



"Outstanding to me are the new trust promotion programs as they come up, each in turn better than the previous. They show most careful thought, direction, planning and acceleration—and withal are understandable and very much in the layman's language.

"Frankly, I can't conceive of any trust promotion program without your direction and aid. You have been most cooperative."

Without obligation, write for information about Purse service and how you can use it to develop business for your trust department.



THE PURSE COMPANY

Headquarters for Trust Advertising

CHATTANOOGA 2, TENNESSEE

Your Lawrence man offers you this Inventory Survey



Next time inventory figures in a loan application, call in your Lawrence man. He's as near as your telephone.

From his experience with inventories in many lines, he can determine for you if a given business lends itself to field warehousing.

Why not call on his experience?

LAWRENCE SYSTEM

Nationwide Field Warehousing

FACILITATES LOANS AGAINST INVENTORY

SAN FRANCISCO
37 DRUMM ST.

CHICAGO
100 N. LA SALLE ST.

NEW YORK
72 WALL ST.

Offices In All Principal Cities

*This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities.
The offering is made only by the Prospectus.*

NEW ISSUE

October 1, 1951

223,352 Shares

Marine Midland Corporation

4¼% Cumulative Preferred Stock

(Par Value \$50 Per Share)

Holders of the Company's outstanding Common Stock are being offered the right to subscribe at \$50 per share for the above shares at the rate of one share for each twenty-five shares of Common Stock held of record on September 28, 1951. Subscription Warrants will expire at 3:00 P.M., Eastern Standard Time, on October 16, 1951.

The several Underwriters have agreed, subject to certain conditions, to purchase any unsubscribed shares and, both during and following the subscription period, may offer shares of Preferred Stock as set forth in the Prospectus.

Copies of the Prospectus may be obtained from any of the several underwriters, including the undersigned, only in States in which such underwriters are qualified to act as dealers in securities and in which the Prospectus may legally be distributed.

The First Boston Corporation

Schoellkopf, Hutton & Pomeroy, Inc.

Union Securities Corporation

Granbery, Marache & Co.

World Business

(CONTINUED FROM PAGE 39)

now many years a roving White House ambassador. The veteran will have to stay up nights probing the proposals which his committee colleagues compounded the night before.

EUROPEAN PSYCHOLOGY

Informed Europeans visiting Washington seem much less concerned about a Soviet war than Americans. The more the U.S.A.'s military strength is rebuilt, the less likelihood there is of war, they maintain. This is why they have dragged their feet in NATO preparations. What Europe's governors fear more than war is to be ejected from office when their people's living standards decline as a result of arming. Such decline, they say, invites communism. So they wrack their brains to find some formula psychologically appealing to the American public, whereby the latter will finance the maintenance of European comfort and well-being at present levels. They are distressed beyond words at Secretary Snyder's caution that Congress will not re-open the money bags. If Europe called the Ottawa conference to convince the U.S. of Europe's inability to finance its part of NATO's work, the outcome is still not fully assured. Presumably the Administration will ask Congress next year for supplementary appropriations for NATO. And next year is an election year.

TANGLED TRADE TRIBULATIONS

Complexities of distributing the world's goods continue high on the list of intergovernmental talks. Apart from the questions that plagued the Ottawa meetings, i.e., "Who pays for what?" there is the question: "Who gets what?" In September British commonwealth and colonial officials gathered in London to reconcile the producers' and buyers' interests. The producers, like those of Latin America, sought assurances of manufactures in exchange for their raw materials; the buyers wanted materials without inflation... In Washington the International Materials Conference has got approval of a copper-distribution plan, whereby the U.S.A. gets about half the western world's supply.

Chile, however, reserves a fifth of its output to sell where it pleases. Zinc also is allocated... At GATT's Geneva meeting France has proposed a 3-year 30 percent tariff reduction program. The problem is to get the U.S. to enter the scheme... The U.S. didn't find it easy to get approval of its virtual severance of of American trade with Czechoslovakia. Europeans were still smarting from the recent congressional restrictions on U.S. imports of cheese and butter.

THINGS THAT GO ON

U.S. trade experts in Vienna learn that Czechoslovakian diplomatic pouches are used as containers for shipping industrial diamonds from Brazil to Prague... While the Southwest is struggling with the problem of Mexican "wetbacks" who swim the Rio Grande to work on our farms, Americans residing in Mexico—the AP reports—should not count on eking out pensions by part-time work. The Mexican law, providing fine and expulsion for unauthorized workers, is strictly enforced... The Chicago International Trade Fair has been made a "permanent institution," the world's shop window on Lake Michigan... Coinciding with Prime Minister De Gasperi's visit to the U.S.A., Macy's in New York devoted its whole fifth floor to an Italian fair: "Italy-in-Macy's, U.S.A."... The Eximbank has extended to December 31 its facilities for the liquidation of Argentine dollar commercial debts. Remaining creditors are advised to communicate with the Banco Central de la Republica Argentina in Buenos Aires... Since 1934 the Eximbank has lent \$5.2-billion. This year it has paid the U. S. Treasury a 2 percent dividend.

FUND ALTERS GOLD TACTICS

Having failed in its long efforts to persuade members to enforce rigidly the official price of gold and eschew sales at premium prices, the World Fund with U. S. approval has given up that approach as a bad job. It now seeks to achieve elimination of the premiums obtainable for gold in many countries by opposite tactics: giving all members what in effect is a green light to sell gold as they please, while putting them on their honor not to do so. A number of new gold-mining members at this writing are believed preparing to

...it takes

PEAK TYPING PRODUCTION IN BANKS, TOO,



to help

INDUSTRY ACHIEVE PEAK PLANT PRODUCTION



That's why

progressive banks are using

Remington *Electri-conomy* Typewriters

Yes, in backing up essential industries today, banks have discovered that Remington Electri-conomy Typewriters can turn out *more work, better work in less time and with less effort* to help meet our present production needs.

Vital loan records, accurate account statistics, multiple trust reports, legible carbon copies, distinctive correspondence are prepared swiftly, with electric ease, on this new typewriter

So why not turn to the Electri-conomy in these times when greater individual productivity is SO important. Mail the coupon below for the amazing economy story.



Remington Rand

THE FIRST NAME
IN TYPEWRITERS

Remington Rand, Room 2322, 315 Fourth Ave., New York 10

- ☐ Yes, I would like a FREE copy of folder RE 8353 describing the new Electri-conomy.
☐ I would like FREE Electri-conomy Test in my office—without obligation of course.

NAME _____

BANK _____

ADDRESS _____

CITY _____

ZONE _____

STATE _____

TOOLS THAT HELP *YOU* PROMOTE BETTER FARMING



ROLL-OVER PLOW FOR CONTOUR PLOWING...TURNS ALL FURROWS UPHILL, NO DEAD FURROWS

There are many soil-saving advantages in plowing with the Massey-Harris Roll-Over Plow. On hillsides, all furrows can be turned uphill. This retards water run-off and reduces erosion. There are no dead furrows to form unwanted ditches, to invite field gullies. It is the practical plow to use in contour or strip farming.

The Massey-Harris Roll-Over Plow is also a time-saver. When you come to the end of the field, just turn around and start back on the furrow you just made. You

don't waste time and fuel crossing wide headlands.

The Roll-Over Plow is just one of many Massey-Harris tools designed to help you promote soil conservation. Today, we realize that soil conservation is one of our most urgent problems.

Saving our land is a job for all ... for those of us who make farm machinery ... for you who advise farmers ... for those who actually farm and till the soil. The Massey-Harris Company, Quality Avenue, Racine, Wisconsin.

Make it a Massey-Harris 

EVERY BANKER HAS A STAKE IN SOIL CONSERVATION

take advantage of the Fund's "self-policing policy." If enough gold is offered on the premium markets, Washington thinks, the premium will be reduced to a level making the traffic unprofitable. While the U.S. Treasury scrupulously observes the \$35 price, this country continues to be the source of gold for foreign hoarders, as we are reminded by the recent arrest of three New York men charged with participation in smuggling \$100,000,000 of gold a year to other countries. South Africa, having to its profit conspicuously defied the Fund's edicts, now faces Fund-forgiven competition.

North of the Border

C. M. SHORT

COINCIDENT with the visit to Canada of the Royal Couple, Princess Elizabeth and the Duke of Edinburgh, the Dominion Parliament re-opened early in October mainly to undertake some massive projects with the purpose of expanding Canadian power and industrial capacity and to provide better living conditions for old people.

After waiting for years for the American Congress to ratify an agreement between the administrations of Canada and the United States to develop the St. Lawrence Waterway for deep sea vessels as well as for additional hydro-electric power, Canada has announced her definite intention to proceed with both projects on her own account, if necessary. The Canadian Prime Minister, Mr. St. Laurent, made this plain to President Truman on a recent weekend visit to Washington but asked for American cooperation. It is now believed in Ottawa that the firm stand of Canada on this matter will strengthen President Truman's recommendation to Congress for American participation. If, however, this is again refused, legislation will be passed by the Dominion Government during the current parliamentary session providing at least for the first stages of developing the waterway and for harnessing 2,000,000 horsepower now going to waste. Probably the Province of Ontario would under-

take the first work at an estimated cost of \$200,000,000 as it is in the greatest need of new hydro-electric power, so much so that it has plans ready for a start next year. It hopes to have the State of New York as a partner, in which event there would, of course, be great developments on both sides of the border. However, some Dominion officials think considerable time may elapse before even an all-Canadian program could be undertaken. Approval of the International Joint Commission in control of the international waters of the St. Lawrence would be necessary, and procedure for this might take several months, in which event opponents of the scheme could raise constitutional questions further to delay the work. But it should be re-emphasized that Canada is determined to develop the power to which she has national rights.

Another major legislative matter to come before Parliament will be that to provide old-age pensions for all Canadian people over 70, the cost of which, \$300,000,000 or more annually, will be met by the Dominion Government, and for those between the ages of 65 and 70 who can establish need for such aid, the cost is to be shared by the Dominion and Provincial authorities. Actually, all costs would be borne by the public in the form of new taxes.

The government will face heavy criticism on the rise in the cost of living, a quite sharp business recession in many civilian industries, slowness in implementing its rearmament program, and the resultant unemployment in many fields outside those which have defense orders.

The government's answers to these criticisms will be that the rise in wholesale prices, partly if not almost entirely due to external influences, has been reversed in recent months and that there are signs of some reduction in the cost of living. It will be able to claim that its rearmament expenditures are now increasing and that by next spring it will be spending at a rate of about \$1,000,000,000 a year for all defensive purposes—for one reason because a leading American airplane manufacturer has released to the Canadian authorities its blueprints for one of its best light craft, now in use in the American Air Force.

This will probably mean eventually \$100,000,000 for this equipment in Canada.

Domestic trade has suffered a quite marked setback largely as a result of over-buying on all sides in the latter half of 1950 and early this year. The volume of this trade is about 15 percent below that of a year ago, notwithstanding a busy tourist trade in the summer and early autumn. American visitors have been estimated at about 10 percent greater in number than in the corresponding season of last year, but there are clear indications

that they did not spend more in Canada than in 1950, for one reason because the length of their visits was shortened and they were much more economical in their expenditures.

Foreign trade, however, continued to increase, although it is evident that Canada has recently cut down on her abnormal purchases of American materials and goods. And the prices for her imports have declined slightly, bringing these in somewhat closer balance with export prices, which during the past year rose more slowly than those of imports.



BE SAFE, BE SURE cancel checks by PERFORATION

Thousands of banks use the famous foolproof CUMMINS 300 Electric Perforator to avoid the contingent liability that increases daily with the use of non-permanent and unsafe ink cancelations. CUMMINS 300 permits each bookkeeper to cancel checks immediately after posting. No skipped checks. No faint cancelations. It's all done in seconds . . . faster . . . safer than any other method.



IN BUSINESS AND BANKS SINCE 1887
ORIGINATORS OF PERFORATORS

Cummins

Cummins-Chicago Corp., Chicago 40, Illinois

CUMMINS 250 ENDORSER

CUMMINS 250 Endorser automatically prints dated endorsements on checks of mixed sizes up to 160 per minute. All checks stacked in exact sequence. Requires no special experience—anyone can operate it. Portable: easily moved from one listing machine to another.

See your Cummins man today. Mail this coupon!

Cummins-Chicago Corporation
Chicago 40, Ill., Dept. 8M 1151

Simply clip to your letterhead and mail.

- ☐ Literature on check cancelers.
☐ Literature on endorsers.

Name Title

Bank

City State

This advertisement is neither an offer to sell nor a solicitation of offers to buy any of these securities. The offering is made only by the offering Circular.

NEW ISSUE

September 26, 1951

375,000 Shares
The First National Bank of Boston
Capital Stock
(Par Value \$12.50)

Holders of the Bank's outstanding Capital Stock are being offered the right to subscribe at \$42.50 per share for the above shares at the rate of one share for each 5 and 14/15ths shares of Capital Stock held of record on September 25, 1951. Subscription Warrants will expire at 3:00 P.M., Eastern Standard Time, on October 16, 1951.

The several Underwriters have agreed, subject to the receipt of legal opinions, to purchase any unsubscribed shares.

During the subscription period THE FIRST BOSTON CORPORATION, on behalf of the several underwriters, may purchase Subscription Warrants and offer for sale shares of the Capital Stock. Outstanding shares are currently selling in the over-the-counter market at a price to yield approximately 4.95% on the basis of a \$2.25 annual dividend.

Copies of the offering Circular may be obtained from any of the several underwriters, including the undersigned, only in States in which such underwriters are qualified to act as dealers in securities and in which the offering Circular may legally be distributed.

The First Boston Corporation

Kidder, Peabody & Co.

Paine, Webber, Jackson & Curtis

Harriman Ripley & Co. Stone & Webster Securities Corporation White, Weld & Co.
Incorporated

Hornblower & Weeks

F. S. Moseley & Co.

COURTESY OF LEGIBILITY

In one of our progressive Middle Western school systems they don't teach students the conventional style of handwriting, as taught elsewhere, but rather a neat style of printing which is identified as "manuscript writing." The idea is that when you write something it should be easy to read and, since printing is more legible than the scrawl of the average person, this so-called manuscript writing is supposed to be superior.

Well, for the past twenty years or so this theory has been quite controversial among the people who live in this particular village. The pros say it accomplishes what writing is supposed to accomplish, and obviously this is true because there is no question but what the students do a neat job and some of them can go like lightning. The cons say it is too radical a change because the boys and girls don't even learn to read the conventional style of writing.

We, of course, are not a party to the controversy, but it is an interesting subject to us because it ties in with our Personalized Check Program, which is primarily designed to solve the problem of illegible signatures. Our selfish compromise would be to hold to the style of writing in general use, even though it has created a nation of scrawlers, and persuade everyone to get his name printed on instruments which require quick and accurate identification...such as a bank check.

So we will continue to try to make headway in establishing the importance of imprinted checks, which retain the individuality and character of written signatures and provide the added courtesy of the printed name. Banks from coast to coast are quite enthusiastic over the wide acceptance of these checks among their customers. Are you selling them in your bank? If not, won't you let us help you start a planned program?



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The Dominion's gold reserve has fallen slightly to \$1,610,000,000 as a result of a heavy adverse trade balance with the United States, which is not completely offset by a continued heavy flow of American capital into the country, augmented by Provincial and municipal financing in the United States of nearly \$300,000,000 so far this year owing to a rather stagnant bond market in Canada and a rise in interest rates.

From a production viewpoint this was one of the best crop years that Canada has ever experienced; bumper yields of field crops were almost general, particularly in the Prairie Provinces, where over one billion bushels of grain, including about 580,000,000 bushels of wheat, were grown. In that western area, however, bad harvesting weather has lowered the grades, increased the huge quantities of poor quality grains and created a most difficult storage problem. Most of the space in Canada's extensive elevator equipment was already pretty well taken up with low grade grains from last year's severely damaged crops and much of this year's supply will have to be stored on the farms and in local buildings in towns and villages throughout the west, even in ice rinks.

An important event north of the border
—the visit of Princess Elizabeth and the
Duke of Edinburgh



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Condensed Statement of Condition September 30, 1951

RESOURCES

Cash and Due from Banks	\$ 749,756,957.08
U. S. Government Securities	870,872,901.31
U. S. Government Insured F. H. A. Mortgages	71,395,674.02
State, Municipal and Public Securities	57,980,029.34
Stock of Federal Reserve Bank	3,595,050.00
Other Securities	24,986,920.96
Loans, Bills Purchased and Bankers' Acceptances	805,497,276.77
Mortgages	15,444,256.25
Banking Houses	16,006,843.85
Other Real Estate Equities	256,818.40
Customers' Liability for Acceptances	8,624,431.73
Accrued Interest and Other Resources	5,523,738.54
	<u>\$2,629,940,898.25</u>

LIABILITIES

Capital	\$50,390,000.00
Surplus	69,444,000.00
Undivided Profits	37,533,935.23
Reserves for Taxes, Unearned Discount, Interest, etc.	17,297,014.43
Dividend Payable October 15, 1951	1,511,700.00
Outstanding Acceptances	9,159,819.60
Liability as Endorser on Acceptances and Foreign Bills	6,638,070.41
Cash held as Collateral or in Escrow	13,529,784.56
Deposits	2,424,436,574.02
	<u>\$2,629,940,898.25</u>

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Washington

(CONTINUED FROM PAGE 41)

were not the better route but that, on the other hand, he disputed that they would always be cheaper to FDIC than liquidations. He contended that a certain number of failures are necessary to a competitive economy, to weed out poor business management.

Finally, the Arkansas Senator asserted that if the merger method were to be used invariably, then Congress should so specify by legislation, instead of leaving the law so that FDIC could either liquidate or merge banks.

This issue was temporarily resolved with the recommendation of the Senate Banking Committee that the nominations of Maple T. Harl and H. Earl Cook for new 6-year terms as FDIC directors be approved.

Approval by the committee came after Chairman Harl wrote the chairman of the Banking Committee that the power to merge rather than liquidate banks would be used sparingly. However, the FDIC had contended publicly before this controversy arose that it was careful in using the power to merge.

Chairman Maybank also directed the FDIC subcommittee to study

this question, and also the possibility of "staggering" the terms of the appointive FDIC directors so both terms would not expire simultaneously.

Income Tax on Mutuals, Savings Associations

In the final version of the tax law, Congress provided that the income of mutual savings banks, savings and loan associations, and similar institutions shall hereafter be taxed at the regular Federal corporation income tax rates.

These Federal taxes, however, will not be levied upon any institution until it has a reserve equivalent to 12 percent of its share accounts or deposits, as the case may be. Until this 12 percent reserve is created, the tax is not applicable.

It is also provided, as is the case with commercial banks, that interest on deposits or dividends, in the case of building and loans, is deductible from gross income in figuring taxable net.

Likewise it is provided, as is the case with commercial banks, that they shall be permitted to establish a reserve for bad debts.

While taxing the mutuals and savings and loan associations, Congress also provided in general that most farmers' cooperative marketing and similar associations shall pay some Federal income tax.

Congress raised the corporation income tax rate to 52 percent on all corporations, and the maximum tax "take" of the combined excess profits and normal and corporation surtaxes to a limit of just under 70 percent. Banks, in common with other corporations, will be subject to the new and higher corporation income levies.

Tax Study Ordered

Banking and business have long desired that something should be done to curb the tendencies not only of the Federal and state governments, but of municipalities as well, to pile tax on tax affecting the same object of taxation.

Rep. Henry J. Latham (R., N. Y.) proposed that a select or special committee of five members of the House should make a thorough study of this subject and report back before the expiration of the 82nd Congress.

The Ways and Means Committee, however, solidly opposed the Latham

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resolution. The committee took the view that so long as expenditures and consequent revenue needs of all governments are on the rise, nothing really practicable can be done to provide relief to taxpayers. The basic problem, said the members of the committee, is too much taxation at all levels of the nation's government.

In the end the House adopted the Latham resolution, modified to provide that the study of this subject should be undertaken by the Ways and Means Committee. This thus becomes a declaration to the committee that it should do something it believes cannot feasibly be done.

Under the circumstances, a perfunctory study is likely to be made. There will be little practical relief offered to taxpayers.

Changing Character of Banks

Supervisory officials are worried over the influence current economic and manpower conditions are having upon the character of banks. This concern already has come to the surface in an observation of the Comptroller of the Currency, in the latter's annual report.

"Banks are finding that the manpower requirements of the armed forces, plus those resulting from the expanding activities of industry and commerce, are tending to syphon off bank employees," the Comptroller observed.

"Even more serious, in some situations, is the fact that too many small banks are managed solely by aging officers, with no adequate replacement personnel in their organizations. In such cases, upon the death or retirement of key personnel, the directors are unable to find, or consider they cannot afford, competent management from outside sources.

"As a result an increasing number of such banks are being absorbed by others. In certain other areas, particularly where statewide branch banking is permitted, this is causing a steady reduction in the number of small unit banks and ever-greater concentration of banking resources under the control of relatively few large institutions.

"Every one interested in local banks, and particularly bank directors, would do well to place greater emphasis on measures designed to correct this weakness, knowing that a bank without adequate manage-

ment has only two possible destinations—absorption or failure," the Comptroller stated.

Other supervisory officials are believed to share the Comptroller's views.

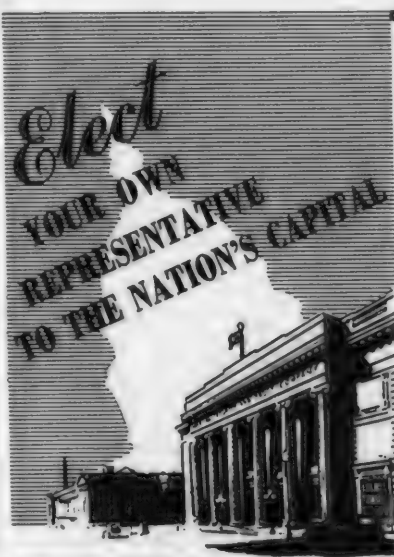
Statistics disclose the disappearance of unit banks. However, the notable thing about these statistics is that, despite this tendency, the number of banking offices, rather than diminishing, is increasing.

FDIC statistics show that, as of December 1950, there were 19,851 banking offices in the United States, 958 more than there were in December 1945.

A total of 380 banking offices were opened in 1950. Of these, 311 consisted of branches, and 69 of independent banks. Bank office closings in 1950 totaled 130, of which only 24 were branches and 106 were unit banks.

May Hit Larger Banks

An important current problem may hit somewhat larger, independent institutions, however. That is the operation of the excess profits tax, permitting a total tax on profits—if a bank falls into the tax category—up to 70 percent of all profits. Banks are particularly hard



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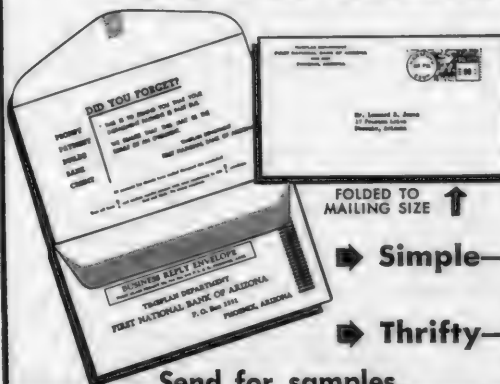
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hit because their earnings base, 1947-50, was a period of low interest rates.

Excess profits taxes, officials hold, aggravate the situation commonly referred to as "banks being worth

more dead than alive." This refers to the current market situation in which many choice stocks are selling below their book values.

With the various factors in mind the Comptroller has put forward

his bill relating to mergers. The effect of this bill is to permit the Comptroller to waive the present requirement of law—that in the case of a merger of two national institutions, shareholders of either bank may take out the appraised value of their shares in cash.

The Comptroller, when and if this bill becomes law, will still allow shareholders of the smaller of two merging banks to take out the value of their stocks in cash. He will, however, refuse this privilege to the shareholders of the larger of the two merging banks.

Otherwise, it is explained, shareholders of the larger of two banks could force a pay-out, which would be desirable to them under present market conditions. On the other hand, it might defeat mergers made necessary by the present circumstances above described.

Project Monetary Study

There is a substantial move to turn the "Patman Study" into a rather thorough appraisal of the Federal Reserve System. William McC. Martin, chairman of the Federal Reserve Board, told the A.B.A. annual convention that after 39 years of the System it would be desirable to have such a study and appraisal.

Originally the Patman subcommittee (named for its chairman, Rep. Wright Patman (D., Tex.) of the Joint Economic Committee) was set up to make a study of differences of opinion between the Reserve System and the Treasury about monetary policy, especially the level of supports for Government bonds. Mr. Patman subsequently indicated it should take the broader approach of determining whether the Reserve should be made more amenable to the wishes of the Federal Administration as a whole.

Whether the study may develop into a dispassionate, objective survey of the course and progress of the System, rather than an inquiry into more controversial, current issues, remains to be seen.

No government can successfully insure its citizens against old age penury that fails to keep its own financial affairs in sound condition.

—JOSEPH M. DODGE



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Banking Legislation

(CONTINUED FROM PAGE 34)

credit insurance. Deletes present statutory requirements.

CREDIT UNIONS

Connecticut No. 86. Increases maximum maturity of loans from 2 to 3 years; allows deposit of funds in out-of-state banks within 25 miles; increases maximum investment in building and loan shares from 10% to 25% of assets of credit union; increases amount which credit union may borrow from 10% to 20% of capital and surplus, without approval of bank commissioner, and from 20% to 40% with prior approval; permits loans to federal credit unions located in state with commissioner's approval, as well as to state-chartered credit unions.

Connecticut No. 98. Provides that reserve fund against losses need not exceed 15% of total loans.

Connecticut No. 99. Eliminates yearly limitation on a member's shareholdings (now \$1,000) and increases overall limitation on shareholdings from \$3,000 to \$5,000.

Connecticut No. 101. Increases maximum permissible unsecured loan from \$300 to \$500.

Connecticut No. 221. Permits any member to own an amount of shares with a share or membership liability up to \$5,000, exclusive of dividends.

Maryland c.214. Increases maximum permissible unsecured loan from \$300 to \$400.

New Hampshire c.22. Limits interest charges to "one per cent per month on unpaid loan balances," instead of to "six per cent."

New Jersey c.180. Increases maximum permissible loan secured by lien on new automobile, pledge of securities or assignment of life insurance from \$1,000 to \$1,500.

New York c. 468. Permits borrowing up to 10% instead of 5% of capital, and in excess thereof with approval of bank commissioner.

New York c.469. Permits charges for lawful fees for filing, recording or releasing security instruments, and for expenses including attorney's fees for necessary court process, and for costs of insuring borrower's life, in addition to maximum interest rate.

New York c.471. Increases maximum loan in excess of shares pledged as security from \$2,000 to \$2,500.

Rhode Island c.2692. Permits unions with assets in excess of \$500,000 to pay directors such sums as may be fixed by members at annual meeting.

South Carolina No. 438. Repeals laws providing for creation, operation, and regulation of cooperative credit unions.

DEEDS

Illinois H.B.924. Abolishes need for private seals on written contracts, deeds, mortgages, or other written instruments or documents.

South Dakota c.12. Permits execution of instruments affecting title to

real property by only one officer of a bank.

DEPOSITORIES

Alaska H.B. 113. Provides that banks are not liable for honoring checks of Territorial Treasurer not issued upon warrants drawn by Territorial Auditor as required by law.

California c.466. Authorizes state banks to pledge assets to secure deposits made by other states. (Thus permits them to act as servicing agents in financing housing projects, bonds of which are being purchased by the Pension Fund of the State of New York.)

California c.437. Permits Federal Reserve Bank of San Francisco or its

branches to hold notes and bonds approved as security for banks and trust companies acting as depositories of local government funds.

Maryland c.195. Provides that obligations issued by any public housing authority or agency in U. S. shall be authorized security for all public deposits and fully negotiable in Maryland.

Michigan No. 68. Permits proceeds of revenue bonds issued for public improvements to be deposited with F.D.I.C. insured banks, rather than solely with Federal Reserve member banks.

New Jersey c.34. Permits federal reserve member banks in district which does not include any part of New Jersey to serve as reserve de-



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pository if it maintains principal office in city in which a federal reserve bank has main or branch office.

New York c.708. Increases from 100% to 200% of capital stock, surplus fund and undivided profits, maximum which banks and trust companies may deposit with other banking corporations or private bankers.

Pennsylvania S.B.201,202. Authorize investment of sinking fund moneys of townships and political subdivisions in deposits insured by F.D.I.C. and in shares of building and loan or federal savings and loan associations insured by the Federal Savings and Loan Insurance Corporation.

Pennsylvania No. 152. Increases from 2 to 4 the number of active depositories to receive daily receipts of state treasury, used to transact current business.

South Dakota c.174. Permits any party of whom bond required to agree with surety for deposit of moneys for which he and surety are or may be responsible, with a depository approved by court, for safekeeping, in such manner as to prevent withdrawal without written consent of surety or order of court. Provides that agreement shall not release from or change liability of principal or sureties as established by terms of bond.

Wisconsin c.41. Extends from July 1, 1951 to July 1, 1955, provision that bank may pledge up to 4 times capital and surplus to Federal Reserve Bank for war loan account with consent of bank commissioner.

DEPOSITS

Alaska H.B.107. Requires new banks to carry F.D.I.C. insurance and provides that banks presently insured may not discontinue insurance without consent of Banking Board.

Alaska H.B.107. Authorizes bank to continue to operate account of deceased person until it receives notice of death, and to honor checks of decedent for 30 days after death. (Follows Model State Banking Code.)

California c.281. Permits issuance of group insurance on lives of members of group of depositors under savings account plan providing for periodic deposits of like amounts for period not over 5 years. (Insurance to cover difference between amounts deposited and maximum which may be deposited under plan, up to \$1,500 per person.)

California c.1174. Permits managing general agent of more than one insurance company to commingle funds of such companies in single account with their permission.

California c.845. Reduces penalty for paying deposits, securities, property, etc., of decedent without giving prior notice to state officials and retaining sufficient amount to pay inheritance tax, from \$20,000 fine plus amount of tax to amount of tax lost to state solely because of such payment. Permits payment of joint deposits to survivors without penalty in absence of actual notice of death received by officer or manager of office or branch or by employee who makes payment. Law ap-

plies to banks, safe deposit companies and corporations generally.

Connecticut No. 41. Repeals provision that no savings bank or department may accept from any depositor in any 3 year period any sums which, exclusive of dividends and less withdrawals, exceed \$10,000. (Maintains overall limit on savings accounts at \$20,000 per account.)

Massachusetts c.23. Exempts from \$10,000 limit on accounts in trust company savings departments deposits of government, religious or charitable corporations, labor unions, credit unions, etc.

Minnesota c.411. Permits savings banks to make agreements with depositors for "systematic thrift" deposits over agreed periods of time; to classify such depositors generally according to character, amount, regularity or duration of deposits or type of agreement, and to agree to pay different rates of interest, bonuses and benefits based on any such classification. Permits bank commissioner to direct changes in classifications and rates "in best interests of bank and depositors."

New Hampshire H.B.308. Exempts savings banks deposits from \$10,000 or 10%-of-fund limit on investments by common trust fund in obligations of any one obligor.

New York c.592. Increases maximum permissible individual account in savings bank from \$7,500 to \$10,000.

Oregon c.18. Increases from \$5,000 to \$10,000 amount which may be invested in time certificates of deposit with other banks by banks having unimpaired capital and surplus less than \$50,000

Oregon c.40. Increases maximum permissible individual account in savings bank from \$5,000 to \$10,000, and maximum to which account may be increased by crediting dividends, from \$7,500 to \$12,500.

Wisconsin c.238. Provides that one of two or more fiduciaries may be delegated to draw checks on their joint account or enter safe deposit held in their joint names, and bank shall not be bound to inquire if the act constitutes a breach of trust. (Constitutes amendment of §10 of Uniform Fiduciaries Act.)

ESCHEAT

California c.1708. Enacts new escheat law. Includes new abandoned property law, which applies to bank deposits and provides for payment of accounts dormant 20 years to state unclaimed property fund.

Maryland c.417. Enacts new dormant account law. Applies to state and national bank deposits and state and federal savings and loan association share accounts; authorizes imposition of service charges after 10 years; provides that such funds shall be paid after 20 years to state treasurer.

New Jersey c.192. Bars claims for unclaimed bank deposits amounting to less than \$1 one year after payment of deposit to state treasurer under escheat law.

(END)

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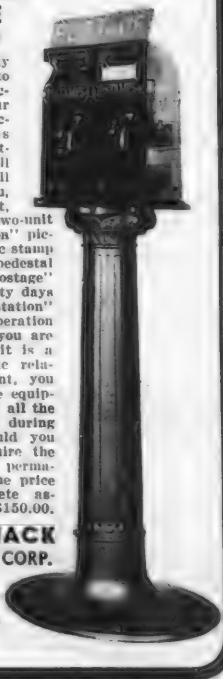
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Valley of the Giants (CONTINUED FROM PAGE 44)

miles of the Columbia Basin this second American river gathers up the waters that flow from a thousand lineal miles below the crest of the Rockies. It drops 1,290 feet, one power step below another, to sea level. It has a run-off of 180,000,000 feet a year—11 times that of the Colorado; half that of the Mississippi.

These big resources are vulnerable. The rivers have floods; the forests have fire and pests, and are in danger of over-rapid cutting. But the comprehensive system of dams planned for the Columbia and the Willamette is expected to store the flood waters and let them out under man's control so that navigation will be continuous and power generation need never be blighted by brown-out (the recent consequence of prolonged drought). And for the forests, there is the "Keep Green" movement which makes everyone more thoughtfully preventive of fires. Then to keep trees growing, there are the tree farms—which is just another term for forest management or tree cropping. In the fir zone of western Washington and Oregon, as of this writing, there are 1,087 tree farms covering 3,695,769 acres. In 29 states that have tree farms there are 3,285 covering 23,965,000 acres.

Out of the Washington and Oregon forests flow \$1.5-billion yearly of raw values. From the tree farms relogging is adding half a million dollars more. Into forest industries have come new methods—the hydraulic barking of logs, the resawing of dimension timber, the installation of presto log machines, the manufacture of plywood, hardboard, pulp and paper, and a host of small articles. So the leaders of forest industries feel safe in promising that logging and milling will continue to be the Pacific Northwest's leading employer.

Progress Through Fighting

There's a lot of human struggle in all this progress. The \$17,000,000 fishing industry fights more dams on the Columbia, and especially on its lower tributaries. There is sharp competition between Seattle and Portland, the principal cities. Seattle has just claimed nearly 750,000 people

in its metropolitan area (King County); Portland retorts that it has spilled over into five counties and new homes and businesses are going up so swiftly that it hasn't had time to make a count, but is sure it is stepping on Seattle's heels. Spokane, Tacoma, and Boise are likewise going ahead. One of the bitterest fights has been waged over the proposal to establish a Columbia Valley authority, which independent citizens declare transgresses the democratic idea by imposing a government (Valley Authority Commission) without consent of the governed. But none of these things has stopped the forward movement.

The population of the Pacific Northwest, which includes Oregon, Washington, Idaho, and Montana, has reached about five million. With a further growth of 25 to 29 percent each decade, a population of 10,000,000 may be anticipated in the next 40 or 50 years. Will that be final? Who can tell? For now, to the great things of the region have been added the mysteries of the Hanford and Arco atomic energy plants. Who knows? Their share in the newest and most terrible weapons of war is better known than their plans for peacetime pursuits. Research, looking toward the industrial and medical use of atomic force, promises a possible revolution in living. The isotope is taking a large place in the language. It is being used to hunt flaws in metal castings, to control thickness of rolled metal, to test floor wax and tire treads, and a lot of other things that seem fantastic now. These plants, now tax consumers, may be in the near future tax producers. The biggest electric consumers in the area, they may produce energy far greater. They may steer the way to health people have never before known. They hold an almost magical lure for youth.

In the meantime, Pacific Northwest farming and industry have each reached the billion dollar class. Oldtimers who are nostalgic about the hunting and fishing of long ago confess, nevertheless, pleasure in hooked-up highway systems which are reaching even into the former wilderness. Streamlined trains, stratospheric planes, and big carriers on the highways dominate

transportation, but barges are carrying more and more on the river.

In 30 years Oregon's population has increased 92 percent, Washington's 74 percent, and Idaho's 35 percent. A big market has developed in the three Pacific Coast states, which have added a total of nearly 9,000,000 people. Alaska, with its huge defense program, is another important addition to the trade territory of the Pacific Northwest, and direct air service has made the two areas but 1-day runs apart. The people of the Northwest are busily tooling for an industry that is sharply in contrast to the outward movement of raw material in the past, and all of these big undertakings test the capacity of leadership and vision.

But along with this growth, there is a tradition which dates back to the running of the rapids and the crossing of the mountains. The people of the Pacific Northwest have what it takes. Problems are their opportunity. They have a lot of reverence for the past. A historical caravan operated by The United States National Bank, bus fashion, during the past summer drew 215,000 viewers for such historic exhibits as Lincoln's letter declining the territorial governorship of Oregon, the tomahawk that killed Marcus Whitman, and the original "Beaver" gold coin. But they have quit dwelling in the past, if they ever did. That explains that idea of hanging a sign across national consciousness—

**"THE NEW HOME OF OPPORTUNITY
IS THE PACIFIC NORTHWEST."**

New Books

Across World Frontiers

By *Thomas W. Lamont*. Harcourt, Brace, New York. 268 pp. \$3.50.

It's interesting to read history written by people who have helped make or rubbed elbows with it—and Mr. Lamont was such a person. This book, for the most part, is the late banker's personal observations on world happenings, between 1914 and the early Twenties, in which he had a share.

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¶ 1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, The American Bankers Association, 12 East 36th St., New York 16, N. Y.; Editor, William R. Kuhns, 12 East 36th St., New York 16, N. Y.; Managing editor, None; Business manager, John J. Rooney, 12 East 36th St., New York 16, N. Y.

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¶ 5. The average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the 12 months preceding the date shown above was: (This information is required from daily, weekly, semi-weekly, and tri-weekly newspapers only.).

WILLIAM R. KUHN, Editor

¶ Sworn to and subscribed before me this 24th day of September, 1951.

¶ Elizabeth Rautanen, Notary Public, State of New York, No. 31-8503250, Qualified in New York County, Cert. filed with N. Y. Co. Clks. & Reg. Offices. Cert. filed with Westchester Co. Clerks.

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business, journalism and banking (including, of course, his connection with the Morgan firm), the author reports on such affairs as Allied war purchases in the United States, international angles of the Russian revolution, the 1919 Peace Conference, the League of Nations controversy, and his own missions to China and Japan.

Mr. Lamont served as a Treasury representative on the American Commission at the peace negotiations, a post that gave him a seat at important conferences of important people. His sketches of world leaders—the Big Four, Colonel House, Paderewski, Benes, for instance—are vivid footnotes to history.

The banker believed the UN Charter might never have been adopted without the precedent of the League. As for the hot controversy over American participation in the League, the actual facts, the book says, "make it clear that neither the all-saint theory as to Mr. Wilson nor the all-devil theory as to Senator Lodge can hold water." Had Elihu Root been invited to Paris as a counsellor to the American delegation, "an entirely different result would have been achieved. Root's opinion and support would have carried immense weight with all Republican members of the Senate..."

Mr. Lamont felt that President Wilson might well have consulted with Republican leaders in both houses, "just as 25 years later President Roosevelt did." At every stage of the Treaty-League negotiations the contrast between Wilson's tactics and Roosevelt's, he felt, "becomes clearer."

The banker was convinced that America's foreign policy must be "guided by accurate and adequate information regarding international conditions, and must be based both upon our own self-interest and upon a humane understanding of the world's needs. That is the only chance of salvation for mankind."

Mr. Lamont saw keenly and wrote well. His *My Boyhood in a Parsonage* is a memorable bit of autobiography which the present book, in draft at the time of his death and edited by the family, carries on. He had hoped to complete the full story of his busy life, a project that would presumably have chronicled his banking and business activities. The available story is so well told that

one wishes it could have been finished.

INVESTMENT PRINCIPLES AND PRACTICES. By Ralph Eastman Badger and Harry G. Guthmann. Prentice-Hall, New York. 835 pp. \$7.65. The fourth edition of a book covering the investment markets, financial analysis; the mathematics and mechanics of investments, taxation, and the business cycle; and investment policy and practice. The earlier text has been thoroughly revised to encompass new trends, new legislation, and new developments affecting investments.

LIFE AND DEATH OF AN OILMAN. By John Joseph Mathews. University of Oklahoma Press, Norman. 259 pp. \$3.75. The career of Ernest Whitworth Marland.

MOBILIZING RESOURCES FOR WAR: THE ECONOMIC ALTERNATIVES. By Tibor Scitovsky, Edward Shaw and Lorie Tarshis. McGraw-Hill, New York. 279 pp. \$4.50. The authors, who are at Stanford University, examine three principle programs of economic control designed to ensure transfer of resources to mobilization without inflation.

LABOR LAW. By Reginald Parker. Claridge, New York. 130 pp. Three hundred questions and answers on the Fair Labor Standards and the Taft-Hartley acts.

THE LEASE AS A FINANCING AND SELLING DEVICE. By Wilford John Eiteman and Charles N. Davisson. School of Business Administration, University of Michigan, Ann Arbor. 108 pp. \$2.50. A study of "why, and under what circumstances, should a manufacturer lease rather than purchase land, buildings, and machinery."

CAPITAL BUDGETING. By Joel Dean. Columbia University Press, New York. 168 pp. \$5. An analysis of the major issues of top-management policy in connection with the managerial problem of planning and controlling capital expenditures.

GUIDEBOOK TO FEDERAL ESTATE AND GIFT TAXES. Commerce Clearing House, Inc., Chicago. \$2. Explanation of the law and regulations, with filled-in forms.

Medal of Honor



Major General William F. Dean, of Berkeley, California—Medal of Honor. In the hard early days of the Korean War, when it was Red armor against American rifles, General Dean chose to fight in the most seriously threatened parts of the line with his men. At Taejon, just before his position was overrun, he was last seen hurling hand grenades defiantly at tanks.

General William Dean knew in his heart that it's every man's duty to defend America. You know it, too. The General's job was in Korea and he did it superbly well. Your defense job is here at home. And one of the best ways to do that job is to start right now buying your full share of United States Defense* Bonds. For remember, your Defense Bonds help keep America *strong*, just as soldiers like General Dean keep America safe. And only through America's strength can your nation . . . and your family . . . and you . . . have a life of security.

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Remember that when you're buying bonds for national defense, you're also building a personal reserve of cash savings. Remember, too, that if you don't save *regularly*, you generally don't save at all. Money you take

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Business Aids

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EACH month this column will list recent acquisitions including manufacturers' literature and other special announcements of interest to our readers—though no statement made should be regarded as an endorsement.



CANADA TODAY. This excellent booklet (revised in 1951) with 100 pages of information and illustrations suggests the opportunities that Canada offers to the industrialist, trader, investor or tourist. The three main sections of the booklet contain interesting discussions of the country, the people, and the resources of this vast, growing nation. Write to *Bank of Montreal, Montreal, Canada.*



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FASHION TINTS FOR HOMES. This 22 page booklet, handsomely illustrated in full color is filled with suggested color schemes for use both outside and inside the home. It points out that choosing the right color can minimize undesired architectural features and discusses the use of various color schemes and finishes to beautify the inside of the home. The booklet devotes several pages to painting tips... when to paint, preparation, brush selection, etc. Write to *National Lead Company, 111 Broadway, New York 6, New York.*

The OUTLOOK and Condition of Business

(CONTINUED FROM PAGE 29)

portant segment of the press has been happily engaged in performing last editorial rites over the body of the British Empire, without realizing that there is plenty of room in that grave for us, too.

They have given intellectual leadership to a group of well-intentioned people who believe that the West should abdicate or has already abdicated its authority but should continue to be responsible for the development of backward areas. They think that colonialism is a bad word, forgetting that the only way civilization has spread since the beginning of time has been through colonialism in some form.

Still Lagging

About a year ago the defense program was getting off to a slow start. It is still lagging, so its effects on the figures of industrial production, plus and minus, are just beginning to appear. Iron and steel, machinery, transportation equipment, cement and clay products, petroleum and coal products, rayon, industrial chemicals and rubber products show the largest gains in the past 12 months.

The principal declines were recorded in automobiles, lumber products including furniture, textiles and leather products. Other lines showed less important changes up or down.

Actual deliveries of military goods in the third quarter of this year were about \$5,000,000,000 in value. This is four times the rate of a year ago and half the rate expected a year from now.

The Government is placing contracts for defense goods at the rate of \$4,000,000,000 monthly. Since the beginning of the Korean war, military procurement totaling almost \$100,000,000,000 has been authorized by Congress.

The period of greatest scarcity for all metal using industries is at hand and will continue through a good part of next year. Industry's requirements for steel, copper and aluminum exceed the available supply by from 50 to 100 percent. During this quarter and extending well into next year the allocations of metals for consumer goods such as household appliances, radio and television equipment and automobiles will be gauged to maintain production at about 60 percent of the first half of this year.

Senator George's "No"

Among the certainties with regard to taxes is the fact that the limit has almost been reached where additional levies would do more harm than good. Chairman George of the Senate Finance Committee said recently in a press conference that the current tax increase is the last one he will support unless there is an all-out war crisis.

"It will be for the executive branch to reduce spending," he said, pointing out that the new taxes will bring the Government's receipts to \$67 or \$68 billion. "That's enough to spend in a year—about \$15 billion more than we should spend even with a stepped-up

defense program." He said that Congress must consider reducing the emergency taxes within three years.

Voluntary Credit Restraint

The machinery for Voluntary Credit Restraint set up last Spring is still on trial but has already demonstrated its value in several ways as an instrument of credit management. Its potentialities for other uses in the future, such as credit stimulation, are not being overlooked.

It was only one of many factors, of course, in putting the brakes on speculative credit and channeling loans toward defense and defense-supporting industries. The Treasury-Reserve accord, and greater flexibility in interest rates, the general economic situation and the fact that the program coincided with a period of normally declining bank loans, all contributed to the favorable record.

Bank Loan Record

In the first 11 weeks of this year, business loans of reporting member banks in 94 cities continued a rise that had been uninterrupted since May 1950. There was a decline in the week of March 20; then the rise was resumed for five weeks. The weeks of May 1 and May 8 showed declines. Since then there have been several weeks in which declines were recorded but the trend has been up due partly to normal seasonal factors and partly to the stimulus of the defense program.

New Window on Business Trends

In order to measure and judge the results accurately, several hundred banks in the larger cities are being asked to furnish information to their respective Federal Reserve banks on changes in commercial and industrial loans by industry and purpose.

There was some hesitancy about piling another survey on the banks but the results have shown its value.

The picture as shown for the first six months of the program and the week ending September 26 was as follows:

	Week ended Sept. 26	Change since March 28
<i>(In millions of dollars)</i>		
<i>Business of Borrower</i>		
Manufacturing and mining:		
Food, liquor, and tobacco	+ 44	— 12
Textiles, apparel, and leather	— 10	+ 38
Metals and metal products	+ 50	+ 727
Petroleum and other	+ 3	+ 220
Trade—wholesale and retail	+ 10	+ 85
Commodity dealers	+ 35	— 279
Sales finance companies	— 23	— 38
Public utilities and transportation	+ 48	+ 393
Construction and other	— 9	+ 15
Total changes classified	+ 148	+ 1,149

Through comparisons of week to week it's possible to obtain useful data on the seasonal trend of loans in various categories. A geographical breakdown of the figures, which is available from the board, makes them even more valuable to individual banks in the guidance of their loan policies and promotional efforts.

WILLIAM R. KUHN

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